

Durham Research Online

Deposited in DRO:

18 March 2015

Version of attached file:

Published Version

Peer-review status of attached file:

Unknown

Citation for published item:

Chapman, Tony (2015) 'An assessment of the willingness of organisations to borrow money in the Third Sector : findings studies in Yorkshire, North East England and Cumbria.', Project Report. Northern Rock, Newcastle upon Tyne.

Further information on publisher's website:

<http://www.nr-foundation.org.uk/third-sector-trends.php>

Publisher's copyright statement:

Additional information:

Use policy

The full-text may be used and/or reproduced, and given to third parties in any format or medium, without prior permission or charge, for personal research or study, educational, or not-for-profit purposes provided that:

- a full bibliographic reference is made to the original source
- a [link](#) is made to the metadata record in DRO
- the full-text is not changed in any way

The full-text must not be sold in any format or medium without the formal permission of the copyright holders.

Please consult the [full DRO policy](#) for further details.



An assessment of the willingness of organisations to borrow money in the Third Sector:

Findings from studies in Yorkshire, North East England and Cumbria

Tony Chapman

St Chad's College, Durham University

January 2015



Policy&Practice
St Chad's College
Durham University

Assessment of third sector organisations' attitudes to borrowing

Contents

i	Acknowledgements	5
1	Introduction.....	6
2	Survey methodology	12
3	Sample characteristics.....	14
4	Income and financial wellbeing	19
5	Enterprising activity	24
6	Interest in borrowing money.....	30
7	Assets and interest in borrowing	37
8	Current use of reserves.....	41
9	Assets and purpose of borrowing.....	44
10	Purpose, value and marketplace for loans	51
11	Summary and implications	54
12	References	60

Assessment of third sector organisations' attitudes to borrowing

Acknowledgements

I would like to thank all the people in Cumbria, North East England and Yorkshire and Humber who filled in the Third Sector Trends questionnaires in 2013 and 2014. Their contribution is invaluable and much appreciated.

Many people assisted in building a sample for the online surveys in each region. I would like to thank officers in all the third sector infrastructure organisations, local authorities and other public sector agencies who helped promote the study.

Inclusion of data from Yorkshire and Humber has allowed for much more detailed analysis and thanks are due to Judy Robinson, Chief Executive of *Involve Yorkshire & Humber* for allowing me to use these data. Thanks are due to *Big Society Capital* for assisting with the development of financial questions in this survey.

This report arises from a collaborative research programme developed and undertaken jointly by CRESR at Sheffield Hallam University and St. Chad's College, Durham University. I would like to thank Professor Peter Wells of Sheffield Hallam University who read a preliminary draft of the report and I am grateful for his comments and insights.

I would like to thank Penny Wilkinson, Chief Executive of Northern Rock Foundation for her continued personal and financial investment in Third Sector Trends research. *Community Foundation Tyne and Wear and Northumberland* jointly funded the North East England Third Sector Trends survey and their contribution is much appreciated.

Thanks are due to Simon Thorrington, Regional Director, North, at *Charity Bank* for helping to promote the survey in Cumbria and for useful observations and advice on the newly developed financial questions used in the survey.

1 Introduction

There has been much speculation over the last few years about the level of demand for loans in the third sector. This paper aims to estimate the level of demand for different types of loans by third sector organisations (TSOs) in Cumbria. Furthermore, the paper will present new findings on the characteristics of those TSOs which are most likely to borrow money, how much, from whom and for what purposes by drawing upon data from a wider range of organisations in North East England and Yorkshire and Humber.

Research on the level of demand for loans generally has been undertaken at a national level. Most studies have been quite small, considering the attitudes and practices of just a few hundred TSOs. Often such studies draw upon 'self selected' samples of organisations which are more likely to respond positively because they are conducive to the idea of borrowing money.¹

Consequently, until now, little reliable data has become available on: the attitudes of the third sector as a whole towards borrowing; on the proportion of organisations which are in a position to borrow; and, reasonably reliable estimates on the number of organisations which may become more interested in taking loans in the future.

Furthermore, existing research tends to have been undertaken by, or on behalf of, organisations which are driven by an eagerness to demonstrate that there is a large marketplace for borrowing in the third sector. Consequently, projections (often based on flawed data and over-ambitious multipliers) on levels of interest in borrowing money by TSOs may have been exaggerated to some extent.²

Social investment initiatives

What is happening on the ground in the third sector has also been clouded by a current preoccupation with 'social investment' as opposed to borrowing in general. The Cabinet Office adopts this definition of social investment:

"Social investment provides capital that enables social organisations to deliver both social and financial returns. The investment is repayable, often with interest, and is typically used to develop new or existing activities that generate income – such as trading activities or contracts for delivering public services."³

Social investment is not a new idea⁴, but it has re-emerged over the last 10-15 years as think tanks and governments have become more interested in the idea of injecting money into TSOs to produce measurable social benefits. In some such arrangements, the investor

¹ See, for example: Charities Aid Foundation (2014) which adopted a 'screened' sample of organisations producing responses from 252 organisations; Gregory, *et al.* (2012) which produced a data set of 1,255 TSOs, but these were drawn from grantee or membership listings from Big Lottery and ClearlySo.

² See for example: Brown and Swersky (2012), Brown and Norman (2011),

³ Cabinet Office, Site accessed 15th September 2014:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/353044/CO_Social_investment_background_one-pager_July_2014.pdf

⁴ For example, in the 19th century, the Peabody Trust became well known for its 'five per cent philanthropy' in the production of affordable housing for the poor. See Tarn, J. (1973).

expects to take the principal burden of risk by investing in, for example, 'social impact bonds' which may pay dividends at a later date. While in other cases, it is the TSO which is expected to take the burden of the risk by, for example, entering into contracts on a 'payment-by-results' basis. More often than not, in the limited number of pilots established so far, the expectation has been that the risk is shared to some extent.

To date there have been relatively few social impact bonds issued and there is little evidence available, as yet, that they work⁵ - but this has not yet dented the excitement of think tanks and policy makers in the UK and beyond.

Government enthusiasm for social investment is reflected in its establishment of Big Society Capital in April 2012, a wholesale lender, which provides capital for financial intermediaries to allocate to TSOs. On the announcement of the bank's opening, Cabinet Office published this statement on its ambitions for the institution:

Big Society Capital will grow the social investment market which blends financial return with positive social impact. It will do this through the development of socially orientated investment organisations that support charities and social enterprises that have the ability to repay an investment through the income they generate. This will help those charities and social enterprises to grow and use their expertise to do more good in communities, whether it is supporting troubled families, providing job and training opportunities for young people or working with the homeless.⁶

There are now many financial institutions which serve the third sector marketplace including: *Charity Bank, The Keyfund, CAF Venturesome, Social Finance*, amongst others.⁷

Most analysts agree that, to date, there is more money available to lend to TSOs than there is demand to borrow.⁸ One of the most probable reasons for this, commentators have concluded, is that TSOs have not yet entered the 'investment readiness' zone and need information and support before they do so.⁹

Furthermore, it has been shown that amongst those TSOs that are in the investment readiness zone, including those which have been strongly supported by potential investors, the 'conversion rate' into loans is, as yet quite low¹⁰ and transaction costs for investors are likely to remain high.¹¹

The extent of borrowing

The controversies surrounding social investment in general - and payment-by-results schemes and social impact bonds in particular - has tended to encourage commentators to take polarised positions on the principles and mechanics of lending money to charities. The reality is likely to be that many TSOs, even if in a minority, have used loans in the past for a range of purposes and many are likely to start to, or continue to do so. Rather than to concentrate on discrete areas of social investment, therefore, it is better to look at

⁵ The evaluation of a Social Impact Bond established at HMP Peterborough to reduce recidivism communicated a mixed response. While there is evidence to show that the programme had made some progress, it was insufficient to trigger payments to investors. See Guardian 1st May 2014: accessed 15th September 2014: <http://www.theguardian.com/voluntary-sector-network/2014/may/01/social-impact-bonds-funding-model-sibs-future>

⁶ Cabinet Office, 4th April 2012: <https://www.gov.uk/government/news/launch-of-big-society-capital-the-world-s-first-ever-social-investment-market-builder> Accessed 15th September 2014

⁷ For a guide to social investment specifically prepared for TSOs and listing social investors, see Rickey, *et al.* (2011).

⁸ For a critical appraisal of changing positions on the extent of demand, see Huckfield (2014).

⁹ See Big Society Capital (2013), Gregory *et al.* (2012), Joy *et al.* (2011), Shanmugalingam *et al.* (2011).

¹⁰ See: Gregory *et al.* (2012).

¹¹ See: Cabinet Office/Saïd Business School (2013).

Assessment of third sector organisations' attitudes to borrowing

borrowing from a wider perspective.¹² The key questions for consideration in this study are, therefore:

- What are the characteristics of TSOs which are *already in the marketplace* for loans and what do they borrow money for?
- What kinds of TSOs *may enter the marketplace* in future: what kinds of support or encouragement may they need to do so, how much money would they need and what would they borrow it for?
- Are there TSOs which *cannot or dare not enter the marketplace* for loans because they have no security, or are too anxious about the risks involved in taking such loans?
- What kinds of TSOs are *not going to enter the marketplace* for loans because they do not need them, or will not consider them?

Unlike most recent research on TSO borrowing and investment readiness, this study was undertaken within a wider research context as a part of the long-established Northern Rock Foundation Third Sector Trends study which has been running since 2008. Issues surrounding borrowing money were, therefore, explored in the context of many other factors which impact on the wellbeing of the third sector and the way it responds to opportunities and challenges over time. The advantage is that responses to the survey sample was not 'self selected' on the basis of an interest in borrowing and was not 'screened' only to include TSOs that were likely to be interested in borrowing money.

Given, earned and borrowed money

Previous rounds of the Third Sector Trends study did not explore attitudes about borrowing money. But a complementary project, undertaken in Yorkshire and Humber in 2013 funded by *Joseph Rowntree Foundation* and *Involve Yorkshire & Humber*, started to examine such issues. The impetus for this new line of enquiry was not driven by policy agendas surrounding social finance, as such, but rather from a more broadly-based interest in the way that TSOs think about money and how this affects their mission and practices.

It had become apparent from previous Third Sector Trends research that TSOs do not think about money in the same way as conventional private sector businesses and that this affects the way that they value money.¹³ In classical economics, money is conceptualised as a constant and when considering the *exchange value* of money – this makes sense. But money is valued differently in cultural terms and this can affect the way money is received, valued and dispensed.¹⁴ Money, in short, is imbued with 'hidden meaning'.¹⁵ A useful way of explaining how TSOs' attitudes about money affect organisational behaviour, is to distinguish between 'given money', 'earned money' and 'borrowed money'.

¹² Charity Aid Foundation's (2014) recent report on borrowing has used a broader perspective and widened its definition from 'social investment' to the more inclusive term 'repayable finance'. In this report, however, simpler terms such as 'borrowed money' or 'loaned money' are used to embrace all forms of repayable finance.

¹³ This section is adapted from Chapman, T. and Robinson, F. (2013) *On the Money*. Newcastle, Northern Rock Foundation

¹⁴ See Zelitzer (1989) 'The social meaning of money: "special moneys"', *American Journal of Sociology*, 95:2, 342-77.

¹⁵ There is a large literature on the gift exchange. Useful introductions include: Beltrami, R. and Otnes, C. (eds.) (1996) *Gift Giving: A Research Anthology*, Bowling Green, Ohio: Bowling Green State University Press; Berking, H. (1999) *The Sociology of Giving*, London: Sage; Cheal, D. (1988) *The Gift Economy*, London, Routledge; Mauss, M. (2002) *The Gift*, London: Routledge Classics; and, Titmus, R. (1997) *The Gift Relationship*, London: LSE Books.

■ **Given money**

TSOs are heavily dependent upon 'given money', whether this comes from the general public, from philanthropists or in the form of grants. Being in receipt of given money does not, of course, mean that the recipient is free of obligations. Often there are more or less well defined moral or contractual strings attached to such moneys. Similarly, not all money that is offered can be taken for ethical or other reasons. Indeed, money offered as a gift or grant by one source may be highly prized whereas money from another source might be refused for 'ethical' or 'political' reasons.

■ **Earned money**

The value of *earned money* is articulated differently from gift money. This is because, in most circumstance, social obligations have been expended within the parameters of the exchange relationship: if an organisation is paid to do something and a legitimate surplus is produced, then the money received is theirs to use more or less as they choose. That stated, earned income is not free from social and cultural meaning. This is because the social value of the money is measured to some extent by the way it was earned. Hence the proliferation of colourful expressions, such as 'dirty money' which are used to cast aspersions on those who earn money in ways which are regarded as socially illegitimate.¹⁶

■ **Borrowed money**

It is possible, but not commonplace, for TSOs to *borrow* money. Loans from banks can be usefully put to work by TSOs when they identify a purpose for investment which will, in the longer term, pay them dividends. Loans are more likely to be valued by TSOs which are involved in a socially enterprising activity. For example, if a TSO runs a community transport service, taking a loan to buy a new bus could make economic sense, providing that a well crafted business plan says so. Or for a TSO which is involved with a payment-by-results programme, working capital may be needed to provide cash flow to bridge the gap between the costs of programme delivery and payment for services rendered. But again, the mission and ethics of a TSO must be considered. Some charities are not able to borrow money if their articles and memorandum of association state that this is the case, while others may simply refuse the option – feeling that they should be given money to do 'good work'.

In the private sector, considerations about the value of money are less cluttered. This is because no distinction needs to be drawn between 'gift money' and 'earned money'. In the third sector, the situation is much more complicated as a TSO may have a complex portfolio of: *given money* (such as grants, gifts, endowments, etc.); *earned money* (through the delivery of contracts, through trading or via investments); or, *Borrowed money* (to provide investment capital, working capital, etc.). However, such distinctions are only rarely drawn and for the most part - people in the third sector just talk about 'funding'.

The third sector in general and TSOs in particular spend a good deal of time worrying about 'funding'. The widespread use of the term probably arises from an expectation that money *should* be provided to 'fund' good work. Most TSOs are hungry to achieve a great deal for their beneficiaries. Many organisations, particularly those which employ staff to deliver their services, need money to make that happen. But getting the money in to do the work can be thought about in different ways.

It may be time to use words differently, depending upon the context within which a TSO is working, to bring into focus some fundamental questions about what money is for. Here are

¹⁶ See Janet Woollacott (1980) 'Dirty and deviant work', in G. Esland and G. Salamon (eds.) *The Politics of Work and Occupations*, Milton Keynes: Open University Press.

two quotations which encapsulate the difference between people who think they *should* be given money to do their work, and those who think it up to themselves to earn the money to get a job done.¹⁷

'... a hell of a lot of my energy, on a day-to-day basis, goes in some way into funding... the amount of energy we're expending in managing the funding environment is not actually equitable with the amount that is coming in and I feel weary of it...'

'You can't help [beneficiaries] if you don't exist; I think that's the bottom line for us. Like everyone, we are in an eternal battle for survival... The only way we can [keep going] is much more of the selling of services, making a profit, a strong surplus, however we want to define it. That way we can bring more money in to make our organisation stronger and more stable so we can meet our challenges and objectives.'

The fact that more people in the third sector tend use the term 'funding' rather than 'money' signals a set of values about the kind of organisation they are and of the kind of work that they do. The Third Sector Trends studies show that the majority of TSOs are small, require little money (as they employ no staff), and rely primarily on volunteers to do their work.¹⁸ If they need money at all, they get it from small grants, donations, sponsorships, subscriptions, or earn a little from 'fundraising' events.

The purpose of money

Larger organisations which employ people to do things, need more money and have to plan and practice (whether they use this language or not) in a formal and more businesslike manner. Their need for money is, therefore, greater too and needs to be put to a wide range of purposes such as:

- ***The cost of doing things:*** paying staff to do something, buying kit and consumables for them to do it with, providing a place where activity can happen.
- ***The cost of staff development:*** paying for training staff and volunteers so that they have the skills to do their work.
- ***The cost of cash flow:*** providing sufficient financial resource to pay for things the TSO needs to do means that reserves must be built or borrowed
- ***The cost of discretionary spending:*** paying for things, such as a staff party or an away-day that the organisation *wants* to do but that nobody else could reasonably be expected to pay for.
- ***The cost of assessing and communicating success:*** such as paying for evaluation work or a social audit, providing time to talk to beneficiaries about the service provided, the time taken to prepare brochures, press releases, stage events and so on to position the organisation favourably.
- ***The cost of campaigning:*** fundraising for campaigns and running campaigns costs money.
- ***The cost of disasters:*** organisations may need to pay for insurance or have reserves to pay up when things go wrong, such as staff sickness or suspension, partner organisations failing to deliver promises, client's not fulfilling expectations, etc.

¹⁷ From Bell et al. (2010) *Forearmed with Foresight*.

¹⁸ For analysis of the TSO1000 in 2012, see Chapman and Robinson (2013) *The Crystal Ball*.

Assessment of third sector organisations' attitudes to borrowing

- *The cost of debt:* paying for mortgages on property or financing loans.
- *The costs of management and leadership:* paying for the 'core' costs of organisational management.
- *The costs of generating income:* paying for fundraising, networking with potential clients, bidding for grants and contracts, developing products for sale, etc.

Identifying some of the purposes of money helps to focus on which elements are essential for individual organisations to operate successfully. It also suggests that the value attached to particular functions, ideally, should shape discussions within the TSO on what should be done, or not done, to ensure that organisational mission and operational needs are balanced. And finally, it *should* lead organisations to think about the fit between the sources of money available to them and the purposes to which these sources of money are put. In reality, however, the linkages are often clouded by the values and ethos of organisations and may lead people to refuse to contemplate drawing on some sources of money (such as from contracts or loans),

In this research report, a first attempt is made to dissect the reasons why TSOs choose to, or not to, borrow money using a large generalised sample of organisations from across three regions in the north of England: Cumbria, Yorkshire and Humber and North East England.

Organisation of the report

This report is divided into a number of short sections dealing with each of the following:

- Section 2 presents a brief statement on the method used to collect data and the sources of these data.
- Section 3 presents basic statistics on sample characteristics in Cumbria compared with Yorkshire and Humber and North East England to assist with subsequent analysis and interpretation.
- Section 4 presents findings on the income and financial wellbeing of TSOs in the sample.
- Section 5 examines the extent to which TSOs operate in a businesslike and entrepreneurial way.
- Section 6 looks at the extent of tangible interest in borrowing money and the proportion of TSOs which are currently using loans.
- Section 7 examines the strength of the relationship between the asset base of TSOs and their willingness to borrow money.
- Section 8 explores the extent to which TSOs are currently drawing upon their assets or current account reserves for investment purposes or to meet essential costs.
- Section 9 considers the relationship between TSOs' asset base and the purposes for which loans may be used.
- Section 10 presents data on the importance of a loan conditions, the amounts of money TSOs may borrow and from whom: and estimates of the extent of the market place for borrowing money for different purposes in Cumbria.
- Section 11 presents a summary of key findings and their implications.

2 Survey methodology

This findings presented in this report arise from three separate but closely related surveys. Each survey shared about 60% of identical core closed questions on organisational purpose, size, resources, practices, plans for the future and attitudes about working relationships within the third sector and other sectors – thus allowing for direct comparison.

- **Cumbria:** a postal questionnaire¹⁹ and online questionnaire²⁰ undertaken from June to August 2014 – with specific questions to gain more information on attitudes towards borrowing money. The survey was undertaken under the banner of the *Northern Rock Foundation Third Sector Trends Study* and, as such, constituted the third in a series of biennial studies in North East England and Cumbria. The online survey remained open until the end of September 2014, but when analysis for this report took place 367 responses had been received.
- **North East England:** a postal questionnaire and online questionnaire undertaken from June to September 2014 – with some shared questions on attitudes towards borrowing that were used in Cumbria. This project was jointly funded by *Northern Rock Foundation* and *Community Foundation Tyne and Wear and Northumberland*. This survey had received, at the time of writing this report, 879 responses.
- **Yorkshire and Humber:** an online questionnaire undertaken from June to October 2013. This survey had a limited number of questions which addressed issues surrounding assets, use of reserves and borrowing money. While these data are slightly older than the current survey, intensive checks of responses to variables were made to ensure that comparability was viable. This survey was jointly funded by *Joseph Rowntree Foundation* and *Involve Yorkshire & Humber*. The survey received 1,007 responses.²¹

The response rate to the survey in Cumbria is about 14% of the total population of TSOs while for North East England the response rate is about 13% of the total population.²²

¹⁹ A postal questionnaire was distributed to 2,200 TSOs in Cumbria on 27th June 2014 and to 4,000 TSOs in North East England on 2nd July by PCP Market Research. The database of TSOs in Cumbria and North East England refers to listings from 2007 and is therefore out of date. Around about 500 questionnaires were returned by the Post Office or by individuals where organisations had closed or changed addresses. Responses were received up to 15th August. Returned questionnaires were processed by PCP and a final spreadsheet of data was submitted to Durham University on 18th August. A total of 226 responses were received from Cumbria and 507 from North East England.

²⁰ The online questionnaire was launched simultaneously with the delivery of paper questionnaires. The questionnaire was administered via Bristol Online Survey and remains open in both Cumbria and North East England until 30th September 2014. Regular reminders were sent to listings of TSOs by a wide range of public sector and third sector organisations supporting the study. By 16th September, Cumbria produced 150 returns and North East England 372 returns.

²¹ The summary report from the Yorkshire and Humber survey is available at this web address:

<http://involveyorkshirehumber.org.uk/our-work/research-and-information/third-sector-trends-survey-2013/>

²² It is not possible to produce an entirely accurate response rate as the paper questionnaire was sent to an ageing database, while the online version was marketed much more widely by infrastructure organisations, charitable foundations, local authorities and other supportive organisations and individuals. Furthermore, the response from the paper questionnaire survey is clouded to some extent by the fact that TSOs were able to choose whether to respond using a paper questionnaire or doing so online. Assuming that there are about 2,684 TSOs in Cumbria (Kane and Mohan, 2010a), the return of 367 questionnaires represents about 14% of the total population of TSOs in the County and 17% of the number sent to TSOs. In the North East, 879 returns represents about 13% of the 6,620 estimated total population (Kane and Mohan, 2010b) and 22% of the number of paper questionnaires sent to TSOs.

Assessment of third sector organisations' attitudes to borrowing

Taken together, all three surveys have 2,266 responses which provides considerable scope for analysis.

In this report, Cumbria data are presented separately where possible, but are also included in wider analysis of Yorkshire and Humber and North East England data to allow for deeper analysis. With only 367 responses in Cumbria, such analysis would not be reliable as cell sizes in more complex cross-tabulations would be too small to interpret with any confidence.

3 Sample characteristics

This section provides a brief overview of key sample characteristics. The purpose of the analysis is to provide assurances about the comparability of samples used and to note any key differences that should be taken into account for the situation in Cumbria when interpreting findings.

Figure 1 presents data on the principal beneficiary groups served by TSOs in Cumbria, North East England and Yorkshire and Humber in each sample. The data show that broadly similar proportions of TSOs serve beneficiary groups in each area.

There are some notable exceptions for Cumbria, as shown in the far right hand column of the figure:

- In Cumbria, the percentage of TSOs serving people in rural areas (34%) is 14.5% above the average for the combined samples.
- In Cumbria, the percentages of TSOs serving unemployed or workless people, people from particular ethnic/racial origins, and people in disadvantaged urban areas is about 7% below the average for the combined samples.
- While the difference is not pronounced, 40% of TSOs serve the interests of older people compared with a sector average of 36%.

These data provide considerable evidence to suggest that samples are broadly comparable and can be combined with reasonable confidence. Interpretation of data for Cumbria should, though, take accounts in particular the higher proportion of TSOs catering for the interests of people in rural areas.

Assessment of third sector organisations' attitudes to borrowing

Figure 1 Number and percentage of TSOs serving principal beneficiary groups	Number of TSOs in each category of activity				Percentage of whole sample in category of activity				Cumbria difference from mean
	Cumbria	North East England	Yorkshire and Humber	All TSOs	Cumbria	North East England	Yorkshire and Humber	All TSOs	
People in general	196	465	507	1168	52.0	52.9	50.6	51.7	+0.3
Children and young people	157	365	370	892	41.6	41.5	36.9	39.5	+2.1
Older people	151	329	335	815	40.1	37.4	33.4	36.1	+4.0
People with physical disabilities	81	227	260	568	21.5	25.8	25.9	25.2	-3.7
People with health/mental health difficulties	88	252	325	665	23.3	28.7	32.4	29.5	-6.2
People of a particular ethnic or racial origin	12	69	116	197	3.2	7.8	11.6	8.7	-5.5
People with homelessness & housing issues	29	81	111	221	7.7	9.2	11.1	9.8	-2.1
Carers	46	120	160	326	12.2	13.7	16.0	14.4	-2.2
Unemployed/workless people	40	152	218	410	10.6	17.3	21.8	18.2	-7.6
People with gender & sexuality concerns	13	33	44	90	3.4	3.8	4.4	4.0	-0.6
People in rural areas	129	184	131	444	34.2	20.9	13.1	19.7	+14.5
People in disadvantaged urban areas	47	164	229	440	12.5	18.7	22.9	19.5	-7.0
Other Third Sector Organisations	31	78	n/d	109	8.2	8.9	n/d	8.6	-0.4
N=	367	879	1002	2266	5.0	16.6	38.8	44.2	

Assessment of third sector organisations' attitudes to borrowing

As Figure 2 shows, a much higher proportion of TSOs in Cumbria (54%) work mainly in rural areas in comparison with North East England (26%) and Yorkshire and Humber (14%). It is necessary therefore to take this into account when interpreting general findings for the combined sample in Cumbria.

Figure 2 Percentage of TSOs working in rural and urban areas (Column percentages)	Cumbria	North East England	Yorkshire and Humber	Combined samples
Mainly in rural areas?	53.6	25.5	14.4	24.7
A mixture of rural and urban areas?	34.2	40.1	45.5	41.7
Mainly in urban areas?	10.1	27.8	28.5	25.3
Mainly in inner city areas?	2.1	6.7	11.6	8.3
N=	336	796	1000	2132

As the proportion of TSOs serving rural communities is so much higher in Cumbria, it is important to assess the extent to which this is a general phenomena or whether it is particular types of organisations which serve such communities. Figure 3 presents data on area of operation by organisational size.

These data demonstrate that in Cumbria, those organisations which work predominantly in rural areas tend to be smaller TSOs (80%). But this percentage is little different from those TSOs working in rural areas in North East England (77%) or Yorkshire and Humber (74%). The proportion of the largest TSOs working in rural areas is broadly similar across all areas.

Figure 3 Percentage of TSOs working in rural and urban areas (Column percentages)	Mainly in rural areas	A mixture of rural and urban areas	Mainly in urban areas	Mainly in inner city areas	Combined sample
Cumbria					
Smaller (£0-50,000)	79.7	64.0	56.4		71.5
Medium (£50,001-£250,000)	11.3	12.3	30.8		13.9
Larger (£250,000+)	9.0	23.7	12.8		14.5
N=	177	114	39		330
North East England					
Smaller (£0-50,000)	77.3	51.0	45.9	38.0	55.4
Medium (£50,001-£250,000)	15.7	24.5	24.1	40.0	23.1
Larger (£250,000+)	7.1	24.5	30.0	22.0	21.5
N=	198	314	220	50	782
Yorkshire and Humber					
Smaller (£0-50,000)	74.3	44.2	57.9	29.3	50.7
Medium (£50,001-£250,000)	18.8	25.7	20.0	37.1	24.4
Larger (£250,000+)	6.9	30.1	22.1	33.6	24.9
N=	144	455	285	116	1000

Assessment of third sector organisations' attitudes to borrowing

When, by contrast, the same data are presented using row percentages – a different picture emerges. As Figure 4 shows, in Cumbria 33% of larger TSOs work primarily in urban areas compared with only 8% in North East England and 4% in Yorkshire and Humber.

Figure 4 Percentage of TSOs working in rural and urban areas (Row percentages)	Mainly in rural areas	A mixture of rural and urban areas	Mainly in urban areas	Mainly in inner city areas	N=
Cumbria					
Smaller (£0-50,000)	59.7	30.9	9.3		236
Medium (£50,001-£250,000)	43.5	30.4	26.1		46
Larger (£250,000+)	33.3	56.3	10.4		48
All TSOs	53.6	34.5	11.8		330
North East England					
Smaller (£0-50,000)	35.3	37.0	23.3	4.4	433
Medium (£50,001-£250,000)	17.1	42.5	29.3	11.0	181
Larger (£250,000+)	8.3	45.8	39.3	6.5	168
All TSOs	25.3	40.2	28.1	6.4	782
Yorkshire and Humber					
Smaller (£0-50,000)	21.1	39.6	32.5	6.7	507
Medium (£50,001-£250,000)	11.1	48.0	23.4	17.6	244
Larger (£250,000+)	4.0	55.0	25.3	15.7	249
All TSOs	14.4	45.5	28.5	11.6	1000

Figure 5 shows how TSOs are distributed in terms of size (defined by income). The table shows that the larger North East England and Yorkshire and Humber samples are reasonably well matched – as would be expected in areas with similarly wide-ranging social, economic and spatial profiles. In Cumbria, there are many more small organisations, as would be expected in a predominantly rural area. Analytical caution is therefore required when extrapolating findings from the combined sample and interpreting the situation in Cumbria.

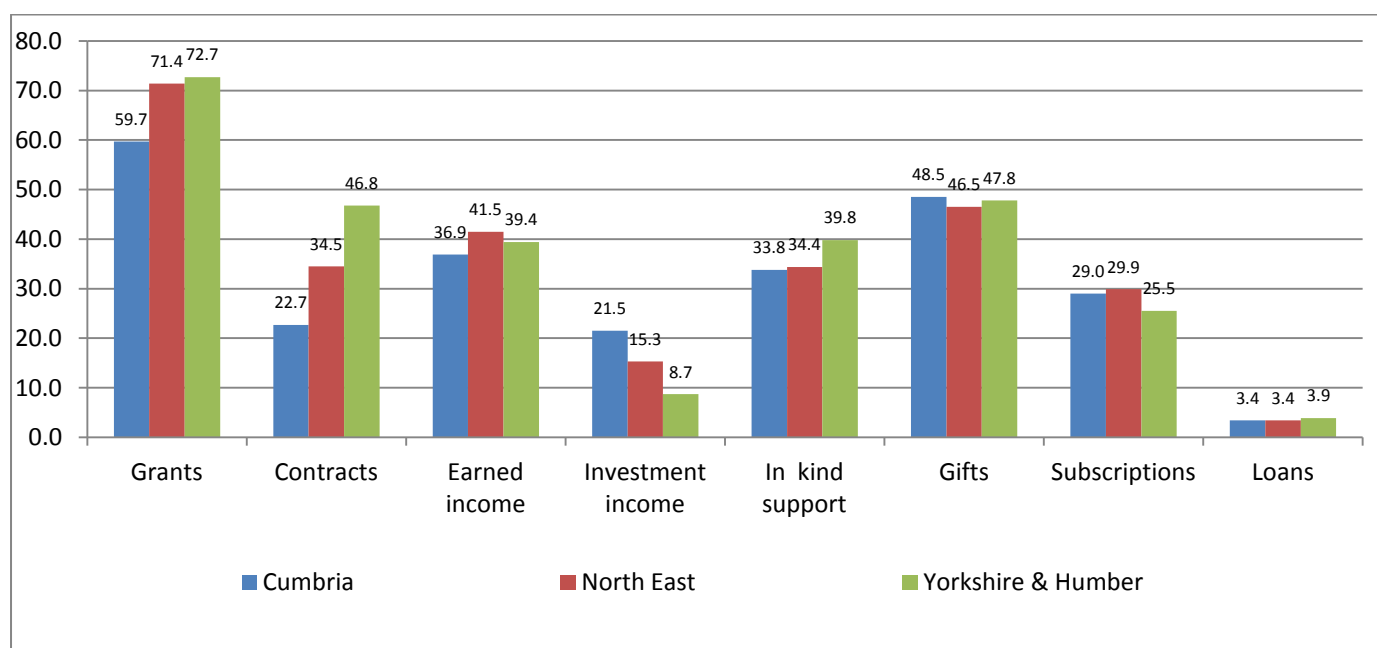
Assessment of third sector organisations' attitudes to borrowing

Figure 5 Organisational size by income	Cumbria	North East	Yorkshire & Humber	All
No income:	2.0	3.1	4.7	3.7
£1 - £2,000:	<u>18.2</u>	9.0	11.7	11.7
£2,001 - £5,000:	<u>14.8</u>	9.2	7.6	9.4
£5,001 - £10,000:	<u>13.7</u>	12.0	7.3	10.1
£10,001 - £25,000:	<u>15.4</u>	12.5	10.2	11.9
£25,001 - £50,000:	7.0	9.6	9.2	9.0
£50,001 - £100,000:	6.1	<u>9.7</u>	<u>10.9</u>	9.7
£100,001 - £250,000:	8.9	<u>13.7</u>	<u>13.5</u>	12.8
£250,001 - £500,000:	5.9	<u>7.7</u>	<u>9.7</u>	8.3
£500,001 - £1,000,000:	3.1	<u>5.2</u>	<u>6.2</u>	5.3
£1,000,001 - £5,000,000:	2.8	<u>6.2</u>	<u>6.4</u>	5.8
£5,000,001 plus:	2.2	2.0	2.6	2.3
N=	100.0	100.0	100.0	100.0

4 Income and financial wellbeing

The reliance of TSOs on different sources of income may provide some useful indications of their organisational characteristics and practices. Figure 6 presents headline data on TSOs reliance on different sources of income. These data show the extent to which TSOs feel that each source of income is 'important' to them or 'very important'. The main finding from these data is that in Cumbria, TSOs generally put less emphasis upon their reliance on three key sources of income: grants, contracts and earned income when compared with other areas. While levels of reliance are much lower, it is also evident that in Cumbria there is a higher level of reliance on investment income – suggesting that TSOs may have a stronger asset base in Cumbria than in other regions.

Figure 6 **Reliance on sources of income: percentage stating 'important' or 'very important'**



But as Figure 7 shows, the situation is not clear cut. In Cumbria, when a broad indication of assets held is used, it is apparent that ownership of assets does not vary much from their counterparts in North East England. To assert that TSOs are more 'comfortable' economically in Cumbria should not be taken as read.²³

²³ A much more detailed discussion of assets is provided in Section 4.

Figure 7 Ownership of assets by TSOs in three regions (column percentages)	Cumbria	North East England
No assets	32.9	36.1
Under £50,000	32.0	25.8
£50,001 - £250,000	19.7	18.1
£250,001 or more	15.4	20.0
N=	356	811

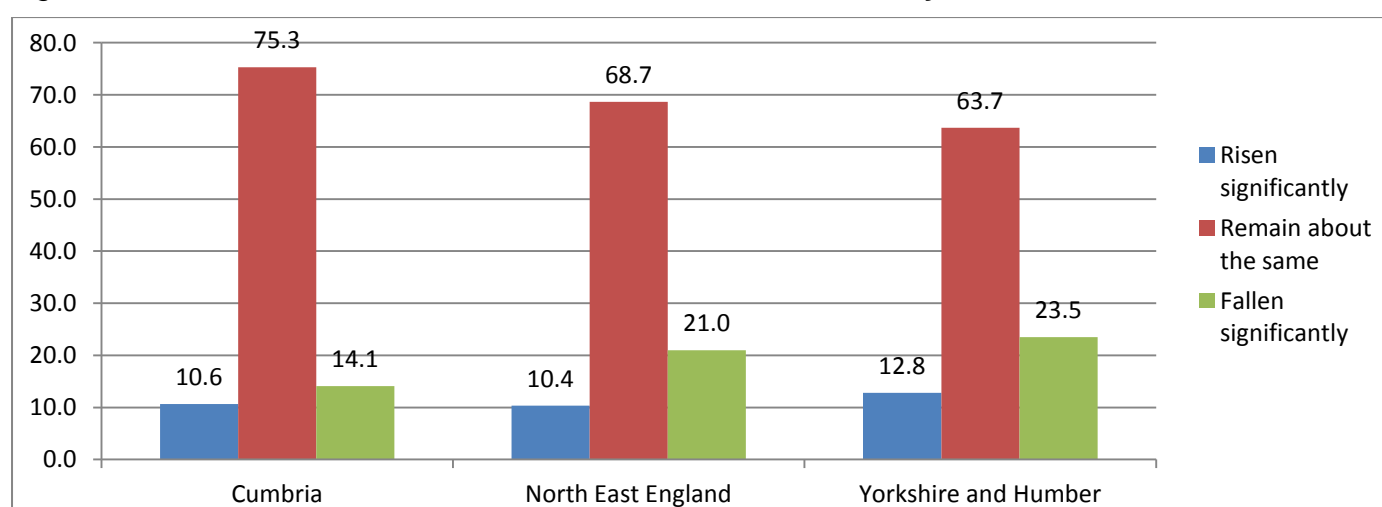
It is useful, therefore, to use other measures to get a better idea of the general 'financial wellbeing' of the third sector in Cumbria. One indicator of wellbeing is to assess the extent to which organisational income has risen, fallen or remained about the same over the last two years. It should be noted that this is a generalised 'sector-wide' indicator and should not to be taken as an indicator of the wellbeing of individual TSOs. This is because, for example, many organisations may have expected their income to fall due to the expected end of a large contract and planned for this appropriately.²⁴

Figure 8 shows that, in sector-wide terms, Cumbria has fared better than North East England and Yorkshire and Humber.

- About 75% of TSOs in Cumbria have experienced stability in income terms compared with 69% in North East England and 64% in Yorkshire and Humber.
- A similar proportion of TSOs in all three regions have enjoyed rising income in the last two years (between 10-13%).
- Falling income has been more common in Yorkshire and Humber (24%) and North East England (21%) compared with Cumbria (14%).

These differences may be accounted for by differences in the composition of the third sector in Cumbria.

Figure 8 **Fluctuations in sector income over the last two years**



²⁴ See Chapman et al (2014) *On the Money*.

Assessment of third sector organisations' attitudes to borrowing

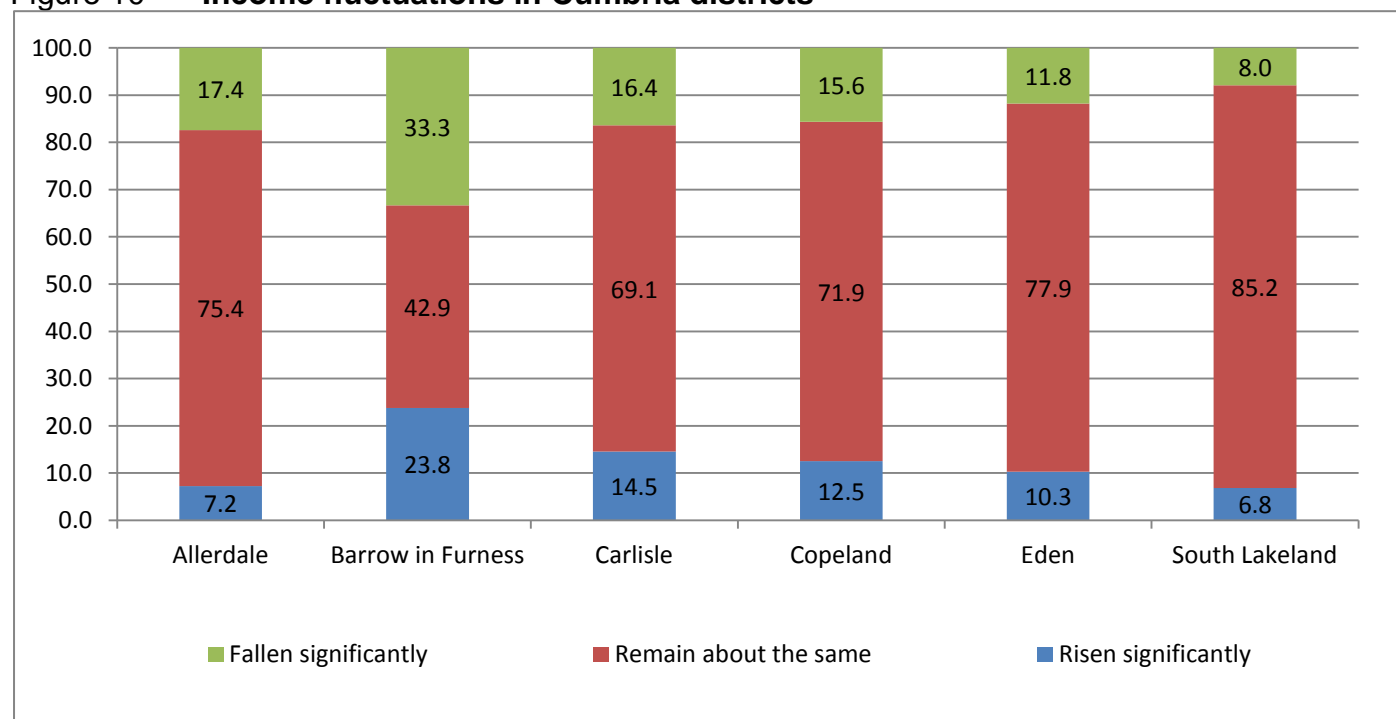
To get a better understanding of these headline data on income fluctuation, some further analysis is needed. Figure 9 compares the situation of TSOs which are working in rural and urban areas. These data show that organisations working mainly in rural areas, and especially so in Cumbria, are more likely to have stable income (between 75-80%). Falling income, by contrast, tends to be focused on those TSOs which work in urban areas or a mixture of urban and rural areas.

Figure 9 Changes in income for TSOs working in rural or urban areas over the last two years (column percentages)	Mainly in rural areas	A mixture of rural and urban areas	Mainly in urban areas	Mainly in inner city areas ²⁵	All TSOs
Cumbria					
Risen significantly	9.4	15.3	6.1	-	10.6
Remain about the same	78.9	66.7	75.8	-	75.3
Fallen significantly	11.7	18.0	18.2	-	14.1
N=	171	111	33	-	348
North East					
Risen significantly	8.5	12.5	9.3	9.4	10.4
Remain about the same	75.9	64.3	66.2	71.7	68.7
Fallen significantly	15.6	23.2	24.5	18.9	21.0
N=	199	311	216	53	830
Yorkshire and Humber					
Risen significantly	13.2	11.9	15.4	9.5	12.8
Remain about the same	75.0	61.8	66.0	51.7	63.7
Fallen significantly	11.8	26.4	18.6	38.8	23.5
N=	144	455	285	116	1000
Combined samples					
Risen significantly	10.1	12.5	12.4	9.1	11.5
Remain about the same	76.7	63.3	66.7	58.5	67.4
Fallen significantly	13.2	24.2	21.0	32.4	21.0
N=	514	877	534	176	2178

As Figure 10 shows, income fluctuation in Cumbria districts is relatively similar. The biggest difference is shown to be in Barrow in Furness, but this may be due to the small number of responses to the survey in that area (21 responses compared with an average response of 62 in other districts).

²⁵ There are too few cases to report percentages.

Figure 10 Income fluctuations in Cumbria districts



A more useful indicator of organisational characteristics affecting income fluctuation is the size of TSOs as shown in Figure 11. These data show that in some respects the situation of larger TSOs is more similar irrespective of the area within which they are working:

- Between 58-61% of the larger TSOs across samples have *stable* income.

But when income fluctuation is considered, quite large differences emerge.

- Larger TSOs in Cumbria are more likely to have had rising income (23% compared with around 15% in North East England and Yorkshire and Humber)
- Fewer larger TSOs in Cumbria have experienced falling income: (19% compared with around 23% in North East England and 28% in Yorkshire and Humber)

The situation of medium sized organisations in Cumbria is more similar to those in other areas. In particular, it is shown that between 28-32% of medium sized TSOs across areas have experiences falling income suggesting that this part of the sector is being squeezed financially everywhere. Rising income in the middle sized TSOs differs to some extent across areas. In Cumbria only 10% enjoyed rising income compared with 14-16% in the other regions.

The situation of small TSOs is broadly similar across regions, although in Cumbria, more TSOs have experienced income stability (81%) and fewer had falling income (10% compared with about 17% in the other regions).

Figure 11 Income fluctuation by organisational size in three regions (column percentages)				
	Smaller (0-£50,000)	Medium (£50,001- £250,000)	Larger (£250,001 plus)	All TSOs
Cumbria				
Risen significantly	8.7	9.6	22.9	10.8
Remain about the same	81.4	59.6	58.3	74.9
Fallen significantly	9.9	30.8	18.8	14.3
N=	242	52	48	342
North East				
Risen significantly	6.0	15.5	15.5	10.3
Remain about the same	77.0	57.7	60.9	69.0
Fallen significantly	17.0	26.8	23.6	20.7
N=	447	194	174	815
Yorkshire and Humber				
Risen significantly	11.4	13.9	14.5	12.8
Remain about the same	71.4	53.7	57.8	63.7
Fallen significantly	17.2	32.4	27.7	23.5
N=	507	244	249	1000
Combined samples				
Risen significantly	8.9	14.1	15.7	11.5
Remain about the same	75.5	55.9	59.0	67.5
Fallen significantly	15.6	30.0	25.3	21.0
N=	1196	490	471	2157

5

Enterprising activity

Some differences have been identified in the above analysis about the structure and financial wellbeing of the third sector in Cumbria. But it is important also to identify if TSOs in Cumbria work in different ways from their counterparts in other areas. The analysis which follows looks at three dimensions of activity: the extent to which TSOs deliver front-line services, whether they are undertaking public-sector contracts to do their work, and whether they are bidding for contracts in partnership.

Figure 12 presents data on the form of services offered by TSOs. It is evident from these data that many fewer TSOs in Cumbria are engaged in front-line service delivery (or 'primary services') compared with North East England or Yorkshire and Humber.

The data suggest that more TSOs in Cumbria and North East England are delivering other services (mainly arts, heritage, community and sport activities). But as Figure 13 shows, this is largely due to the different composition of samples. In Yorkshire, only an online survey was used, consequently many fewer small organisations responded than was the case in Cumbria and North East England.

Figure 12 Organisational interest in delivering contracts (column percentages)	Cumbria	North East England	Yorkshire and Humber	Combined surveys
Provide front-line services to beneficiaries (e.g. providing accommodation, care services, training)	19.0	33.4	37.3	32.8
Provide direct support services to beneficiaries (e.g. providing advocacy, advice and guidance)	19.6	13.0	32.9	23.1
Provide indirect support services to beneficiaries (e.g. research, policy development, campaigning)	4.7	1.2	5.4	3.7
Provide infrastructure support to the voluntary and community sector (e.g. local CVS)	8.0	9.8	10.3	9.7
Provide grants to the voluntary and community sector as a Foundation or Trust	8.8	5.3	1.1	4.0
Other (mainly arts, sport, music and environment)	39.9	37.2	12.9	26.7
N=	363	844	999	2206

When TSOs are compared by size, as measured by income bands, it becomes apparent that the situation is more similar than previously noted. It is clear from these data that even

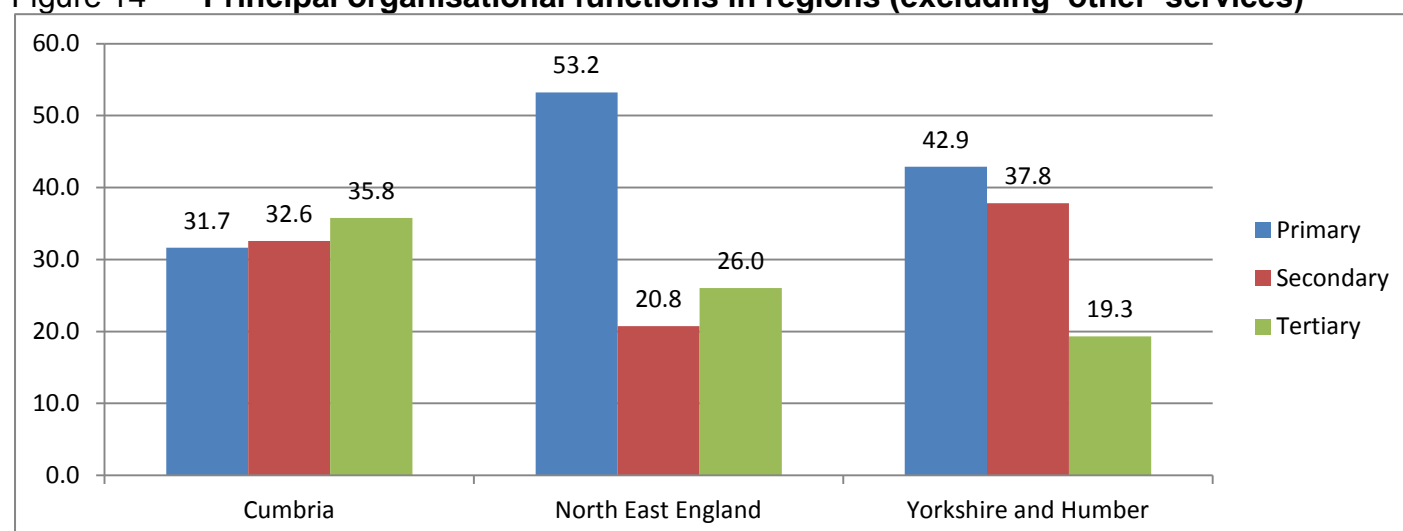
Assessment of third sector organisations' attitudes to borrowing

amongst larger TSOs, engagement in the delivery of primary services is more limited than in other regions (38% compared with around 50-52% in North East England/Yorkshire and Humber).

Figure 13 Main function of TSOs by income band (column percentages)	Smaller (0-£50,000)	Medium (£50,001-£250,000)	Larger (£250,001 plus)	All TSOs
Cumbria				
Primary	16.5	13.5	38.0	19.1
Secondary	10.6	46.2	40.0	19.9
Tertiary	24.0	19.2	12.0	21.6
Other	48.8	21.2	10.0	39.3
N=	254	52	50	356
North East England				
Primary	18.5	50.5	52.3	33.2
Secondary	7.6	17.5	22.2	13.0
Tertiary	18.7	11.9	16.5	16.6
Other	55.1	20.1	9.1	37.2
N=	459	194	176	829
Yorkshire and Humber				
Primary	29.6	39.8	50.6	37.3
Secondary	31.2	36.5	32.9	32.9
Tertiary	18.2	17.6	13.3	16.8
Other	20.9	6.1	3.2	12.9
N=	506	244	249	999

When those TSOs offering 'other' services are removed from the samples and those offering tertiary services are combined (infrastructure support, research and campaigning, or grant making foundations) some interesting differences emerge. As Figure 14 shows, the balance between primary, secondary and tertiary service delivery in Cumbria is similar compared with North East England where over half of TSOs are delivering primary services and in Yorkshire and Humber, 43% are doing so.

Figure 14 Principal organisational functions in regions (excluding 'other' services)



The delivery of primary services by contract may be dependent to some extent on the knowledge TSOs have about such opportunities and the extent to which they are willing to engage in such activity or are actually doing this kind of work now. Figure 15 compares levels of activity in contract working in three regions.

The evidence shows that nearly 55% of TSOs in Cumbria are not willing to engage in contract working as this would run counter to their organisation's objectives compared with 44% in North East England and 33% in Yorkshire and Humber. Furthermore, awareness of such opportunities is lower in Cumbria (20%) compared with around 15-16% in other regions. These findings are particularly relevant to the study of borrowing working capital or bridging capital and will be discussed further in Section 6 of this report.

Figure 15 Extent to which TSOs are engaging in the delivery of public sector contracts (column percentages)	Cumbria	North East England	Yorkshire and Humber
We are not aware of these opportunities	19.6	15.4	16.5
We are aware of these opportunities but they are not relevant to our organisation's objectives	54.9	44.4	32.8
We are aware of these opportunities but need more information	2.7	5.6	6.3
We are interested in this option but would need extra support to do this	5.0	10.0	9.9
We are interested in this option but feel there are barriers in the tendering process	5.0	7.5	11.6
We are already bidding to deliver public sector services	2.1	4.5	8.3
We are already delivering public sector services for which we have tendered	10.7	12.5	14.6
N=	337	799	1000

In order to get a better understanding of the relative interest in contract working, it is useful to compare the attitudes and activities of medium sized and larger TSOs. Figure 15(a) and 15(b) present these data in graphs.

Figure 15(a) shows that 47% of medium sized TSOs in Cumbria are either unaware of contract opportunities or do not want to do them compared with 40% of medium sized TSOs in North East England and 33% in Yorkshire and Humber. That said, a higher proportion are bidding for contracts or doing them now – although this may be partly due to the small number of medium sized organisations in Cumbria (n=51).

Figure 15(a) **Attitudes about contract working by medium sized TSOs (£50,000-£250,000 income)**

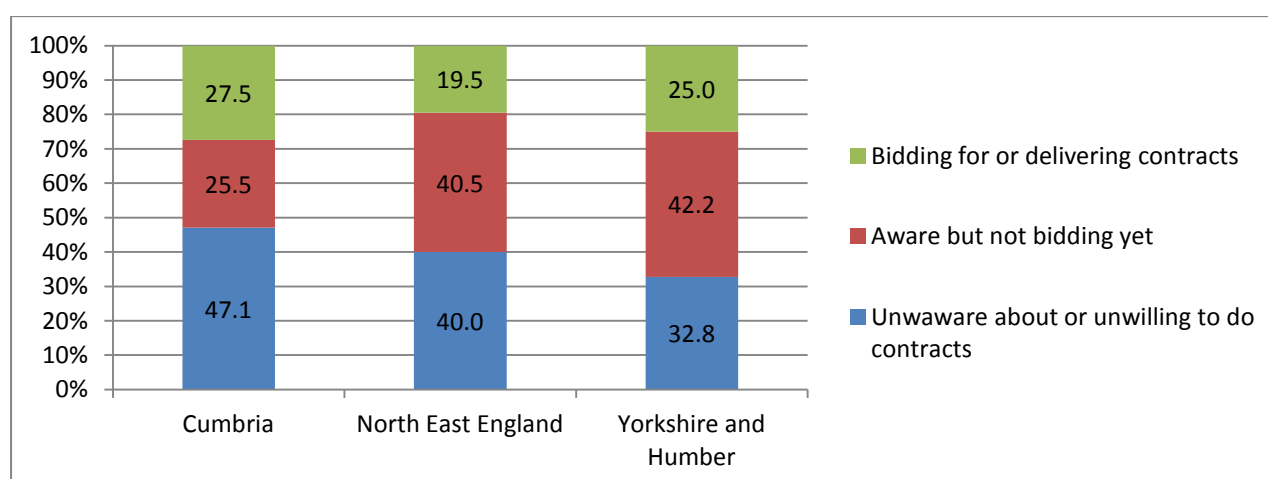


Figure 15(b) shows that in Cumbria, larger TSOs are similarly disposed to the idea of doing contracts compared with their counterparts in North East England (50-52%) although more larger TSOs are involved in or bidding for contracts in Yorkshire and Humber (59%).

Unwillingness to consider contract working, or lack of knowledge of such opportunities, by larger TSOs is more pronounced in Cumbria: a third of larger TSOs are included in this category compared with 26% in North East England and only 13% in Yorkshire.

Figure 15(b) **Attitudes about contract working by larger TSOs (£250,000 or more income)**

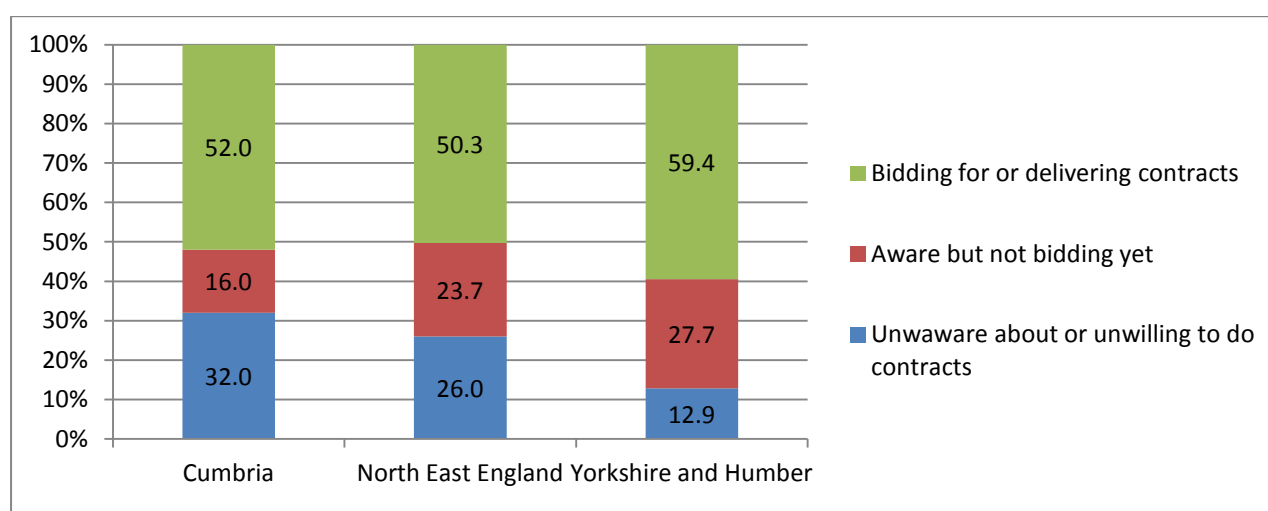


Figure 16 compares the number of TSOs which have been bidding in partnership to deliver contracts in the last two years. These data show that TSOs in Cumbria are much more likely not to be considering such work (72%) when compared with other areas. This may partly due to the absence of opportunities to do such work and/or the ethos of organisations which work more commonly in rural areas.

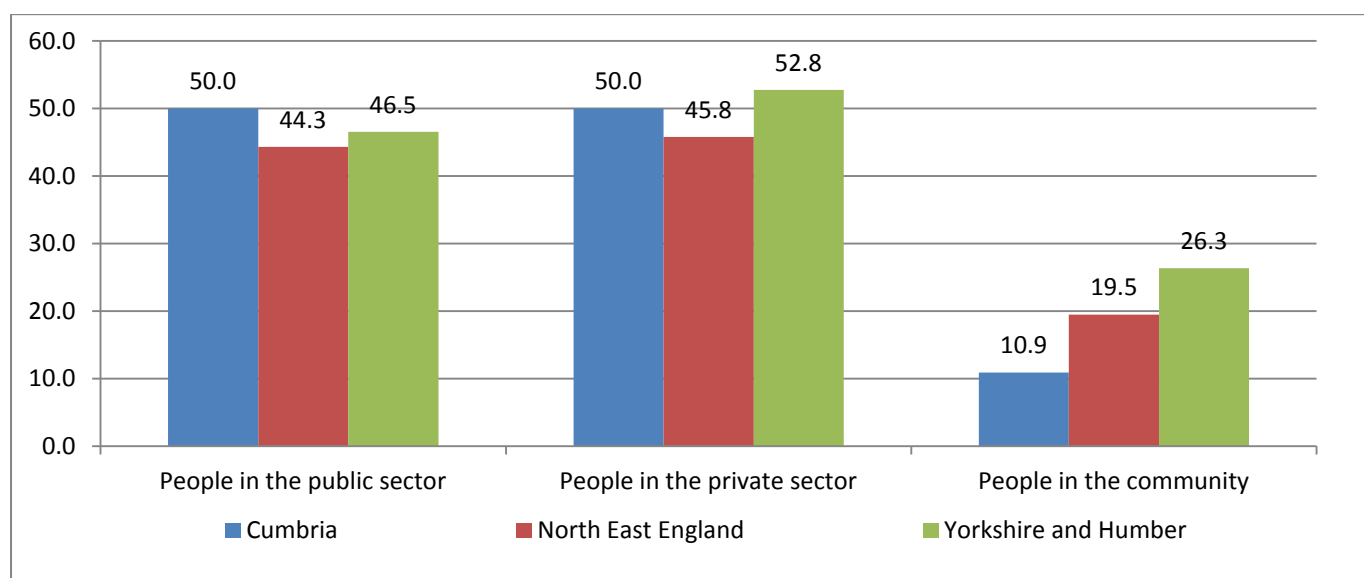
Figure 16 Interest in partnership bidding for contracts (column percentages)	Cumbria	North East England	Yorkshire and Humber	Combined surveys
Yes and have been successful	13.8	19.6	25.1	21.2
Yes and have not yet been successful	4.0	6.7	9.4	7.5
No, but we are considering this	9.8	15.3	21.4	17.2
No and we are not considering this	72.3	58.3	44.1	54.0
N=	347	835	1000	2182

It may be the case that the business planning 'ethos' of organisations affects willingness to engage in partnership working. Figure 17 compares the percentages of TSOs which are currently working in partnership or have been bidding in partnership to deliver contracts in the last two years depending upon their strategic planning ethos. Three categories of ethos are used, which were self selected by respondents: planning in the same way that people do in the 'public sector', in the 'private sector' or in the 'community'. Figure 17 indicates that:

- A similar percentage of TSOs with a similar strategic planning ethos to people in the **public sector** have a strong interest in partnership working to deliver contracts (44-50%) across Yorkshire and Humber, North East England and Cumbria.
- A slightly higher percentage of TSOs with a similar strategic planning ethos to people in the **private sector** have a strong interest in partnership working to deliver contracts (46-53%) across Yorkshire and Humber, North East England and Cumbria.
- Many fewer TSOs with a similar strategic planning ethos to people in the community are currently interested in partnership working to deliver contracts. Only 11% of TSOs in Cumbria are doing so, compared with 20% in North East England and 26% in Yorkshire and Humber.

These findings help to account for the fact that interest in partnership working to deliver contracts is comparatively lower than in North East England and Yorkshire and Humber.

Figure 17 Extent of partnership working according to planning ethos of TSOs



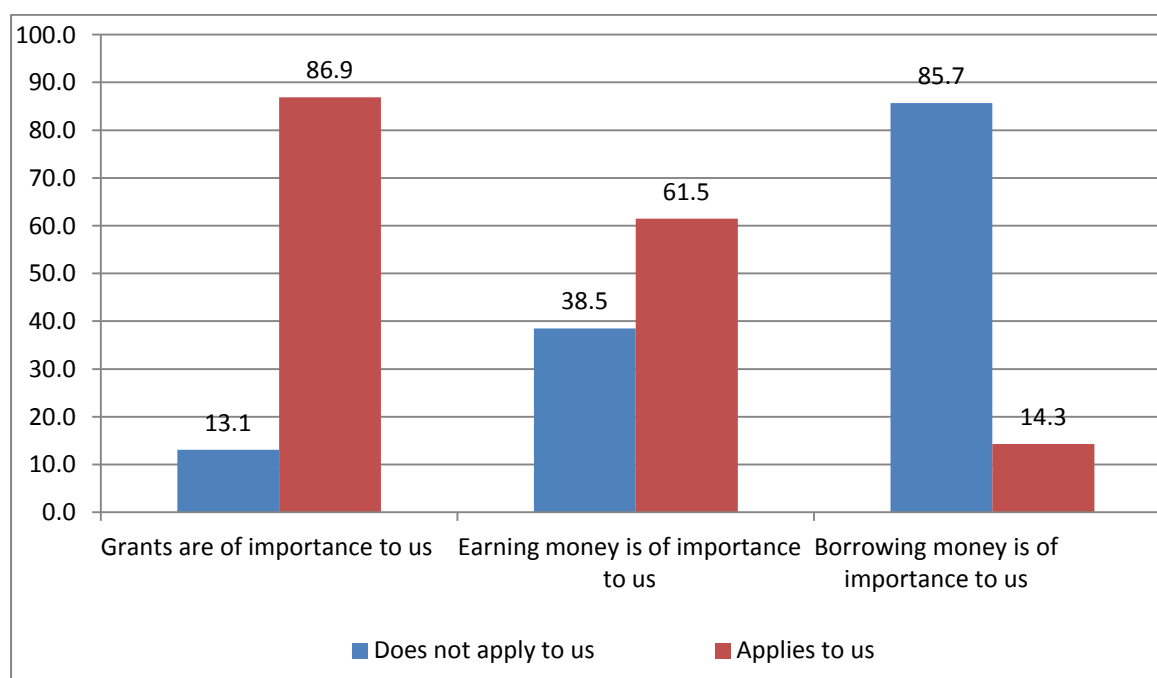
6 Interest in borrowing money

As a starting point, it is useful to know what proportion of TSOs state that particular sources of money are at least of some importance to them. Three categories of money are defined:

- Money which is received in the form of grants. This is a broad indicator of organisation dependence on 'given money' rather than earned or borrowed money.
- Money which is received from self-generated trading activity. This is a broad indicator of organisational attitudes to enterprising activity and includes all forms of trading apart from contracts (which can be, but is not always a good indicator of enterprising activity)
- Money which has been borrowed. This is a broad indicator of TSOs' business acumen because organisations will have taken into account a measure of risk when taking out loans.

From a sector-wide perspective, the data in Figure 18 show that grants are regarded as being of some importance to 87% of TSOs – so demonstrating a strong sector-wide dependence on this source of money. Almost two thirds of TSOs (62%) state that earned income is of at least some importance to them, but only 14% of TSOs state that borrowing money is of at least some importance to them.

Figure 18 **Importance or unimportance of different sources of income to all TSOs** (Cumbria, North East England & Yorkshire data N=2200).

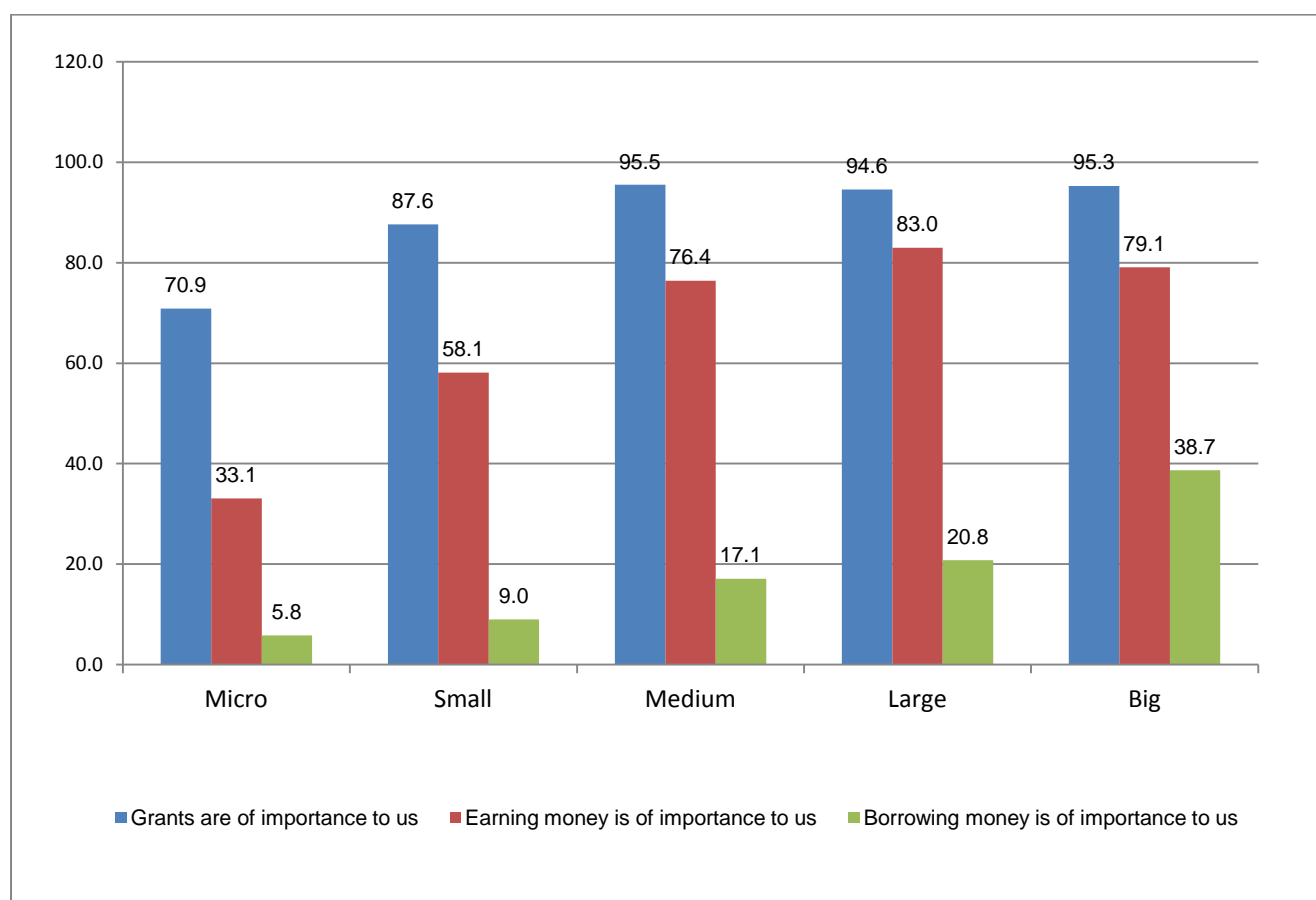


Assessment of third sector organisations' attitudes to borrowing

These headlines percentages mask underlying differences. As Figure 19 shows, when reliance on these sources of income is compared according to organisational size, some interesting differences emerge.

- Most larger TSOs (95%) state that grants are at least of some importance to them. Indeed, fewer than 5% of the three largest categories of organisations state that grants are of no importance.
- Earned income is of more importance to TSOs the larger they become (although the percentage of the biggest TSOs is slightly lower than for large organisations).
- Borrowed money is regarded as an important resource by fewer than 6% of micro TSOs, but this rises steadily to 39% of the biggest organisations.

Figure 19 **Reliance on grants, earned income and borrowing by organisational size** (Cumbria, North East England & Yorkshire data N=2200).



It is useful to get a broad understanding of the extent to which TSOs have a 'tangible' interest in borrowing or have actually borrowed money in the last two years. Figure 20 shows that about 16% of TSOs have a 'tangible interest' in borrowing money, but only 4% have actually borrowed money in the last two years.²⁶

²⁶ Organisations with a 'tangible interest' are those TSOs which answered positively to at least one of several questions asked about borrowing money. This included questions on: whether they considered borrowing of some level of importance for them to do their work; whether they currently hold a mortgage; or whether they have borrowed money (or made an application to borrow) for specific purposes in the last two years.

Figure 20 **TSOs which have borrowed money in the last two years or have a tangible interest in borrowing** (Cumbria, North East England & Yorkshire data N=2200)

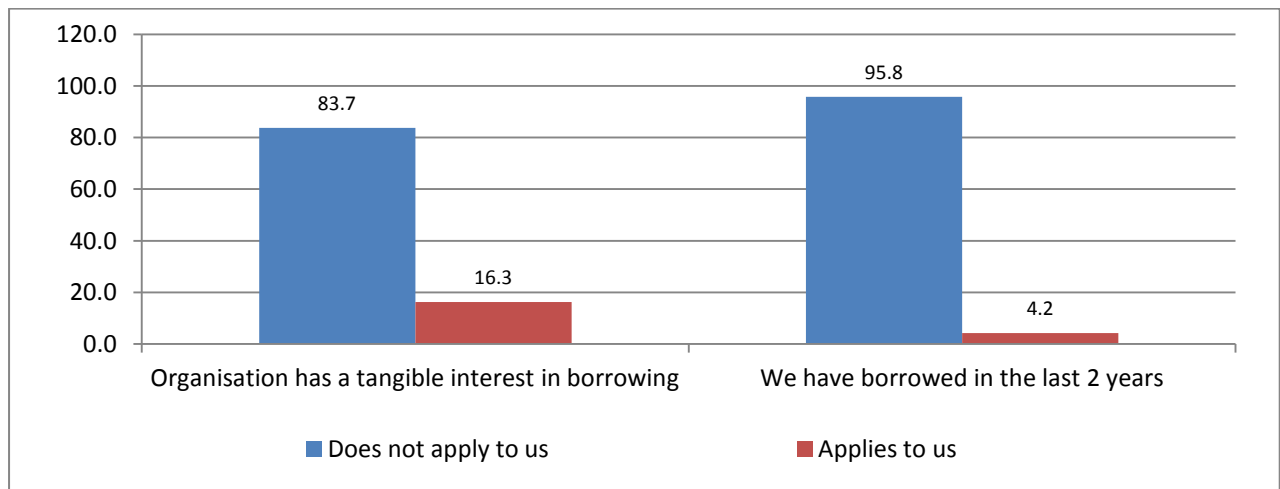
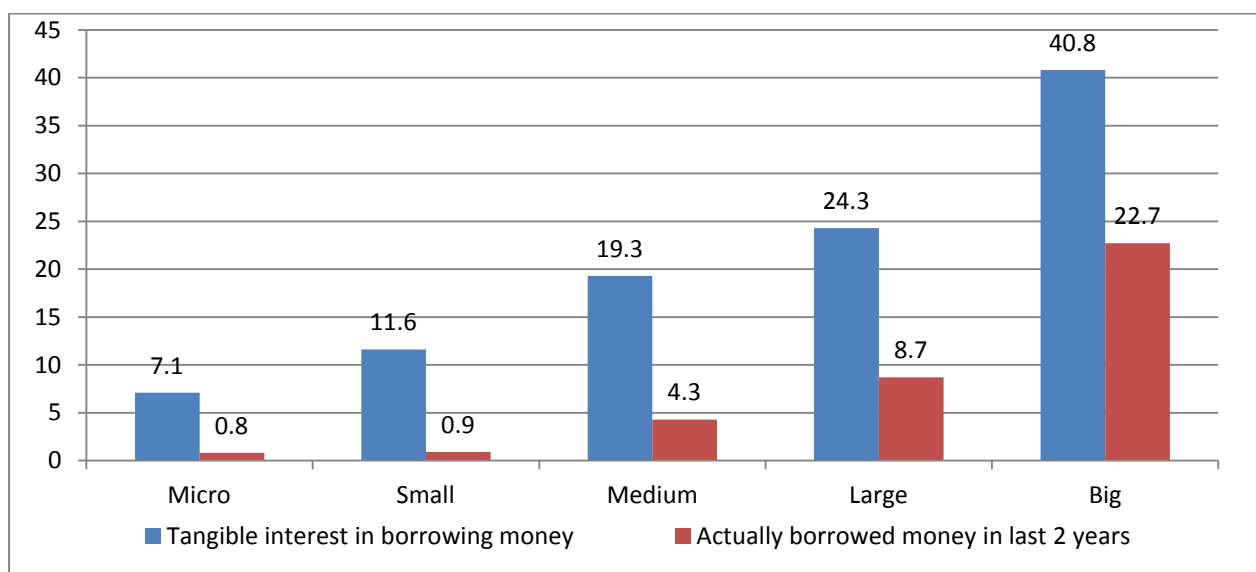


Figure 21 compares organisations of different sizes in order to identify which TSOs are most likely to borrow money or have a tangible interest in borrowing money. It is clear that micro and small TSOs show some interest in the idea of borrowing money (ranging from 7% to 12%), but few have actually done so (fewer than 1% of micro and small TSOs). Such TSOs have lower levels of income and tend to be less formal organisations (because they are unlikely to employ any staff) so any borrowing they may consider is likely to be on a small scale.

Formal organisations (that is, TSOs which employ staff) are progressively more likely to have a tangible interest in borrowing the larger they become: 19% of medium sized organisations have a tangible interest in borrowing rising to around 41% of the two largest categories of TSO). The two biggest categories of TSOs are also the most likely to have borrowed in the last two years: in fact over half of the biggest organisations with a tangible interest in borrowing have actually borrowed money.

Figure 21 **TSOs which have borrowed money in the last two years or have a tangible interest in borrowing by size of organisation** (Cumbria, North East England & Yorkshire data N=2200)



These data have provided broad indications of the likelihood of TSOs borrowing money by drawing upon a large dataset covering Cumbria, North East England and Yorkshire. While the percentages are currently quite small, there is clearly some evidence of interest.

Figure 22 takes the analysis a step forward by showing the purpose for which money was borrowed by TSOs. There are too few data to disaggregate by organisational size in Cumbria, however, the marginal percentages (shown on the far right of the table for Cumbria and the whole sample) demonstrate that sample structures are similar – giving some confidence about the applicability of the analysis to Cumbria.

Taking the sample as a whole, it is clear that investment in the development of new activities or services is the most likely purpose for borrowing money. In the case of larger organisations, with income over £250,000, almost 5% have borrowed for this purpose.

The second most likely purpose for borrowing money amongst the largest organisations is for the purchase of property by mortgage (4%).

Smaller and medium sized organisations are less likely to have borrowed money: less than 1% of small and just over 4% of medium sized TSOs had borrowed money in the last two years

Figure 22 Percentage of TSOs which have borrowed money for a range of purposes	Smaller (0-£50,000)	Medium (£50,001-£250,000)	Larger (£250,001 plus)	All TSOs	Cumbria TSOs
We have not borrowed money in the last two years	99.2	95.7	86.5	95.7	97.0
We have borrowed money mainly to invest in the development of new activities or services (e.g. any form of investment capital)	0.3	1.9	4.7	1.6	1.1
We have borrowed money mainly to bridge a gap in our cash flow (e.g. any form of working capital)	0.3	1.3	1.6	0.8	0.3
We have borrowed money mainly to buy a property (e.g. a mortgage)	0.0	0.6	4.1	1.0	0.6
We have borrowed money to upgrade a property to deliver a better service	0.0	0.0	0.5	0.1	0.3
We have borrowed money to upgrade a property to earn income (e.g. from rent or retail activity)	0.1	0.0	0.0	0.0	0.0
We have borrowed money for a mixture of purposes	0.2	0.4	2.7	0.8	0.8
N=	1192	469	443	2104	361
Number of borrowers	10	20	60	90	11
Percentage of borrowers	0.8	4.3	13.5	4.3	3.1

It is clear from the above analysis that larger organisations are more interested in borrowing money, but to what extent does the 'purpose' of TSOs affect their likelihood of borrowing money?

Assessment of third sector organisations' attitudes to borrowing

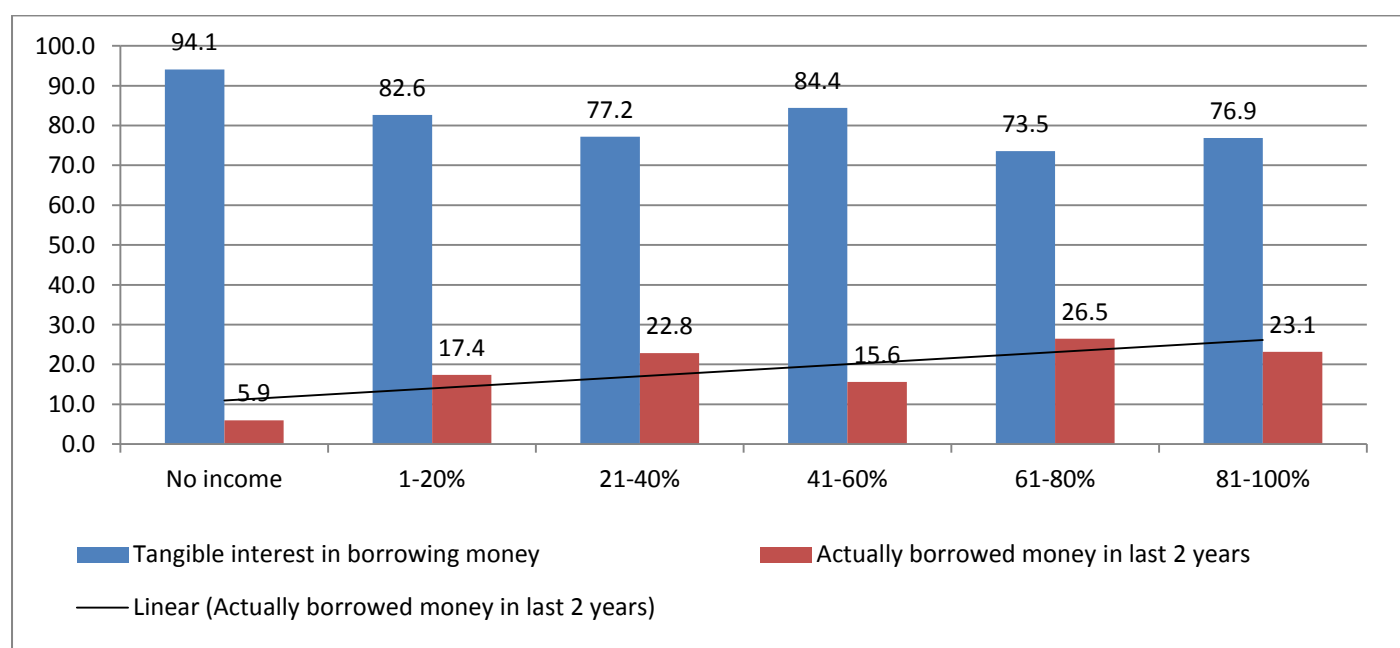
Figure 23 shows the relationship between organisations' main purpose and their propensity to borrow. These data demonstrate that TSOs which are engaged in the delivery of front-line services are by far the most likely to have a tangible interest in borrowing money (25%).

Figure 23 TSOs interest in borrowing money according to their principal activities (Whole sample: Yorkshire, NE and Cumbria)	Provide front-line services to beneficiaries (e.g. providing accommodation, care services, training)	Provide direct support services to beneficiaries (e.g. providing advocacy, advice and guidance)	Provide indirect support to beneficiaries (e.g. research, infrastructure, grant giving)	Other organisations and groups (mainly arts, sport, music and environment)
No indication of interest in taking a loan	74.9	87.5	85.5	90.5
Tangible interest in taking a loan	25.1	12.5	14.5	9.5
N=	717	503	380	578

TSOs which earn a higher proportion of their income from contracts and trading are generally more likely to be 'businesslike' in their planning and practice.²⁷ But does this also translate into a stronger interest in borrowing money?

As Figure 24 demonstrates, there appears to be only a limited association between TSOs which earn a higher proportion of their income (from contracts or trading) and a likelihood of having a tangible interest in borrowing money (as shown by the trend line).

Figure 7 **Association between level of earned income and tangible interest in borrowing** (Cumbria, North East England and Yorkshire data)



When data are disaggregated further by organisational size, marked differences emerge. As Figure 25 shows, the proportion of larger TSOs (with income over £250,000) with an interest in borrowing money rises significantly if their reliance on earned income is greater.

²⁷ Chapman and Robinson (2014) *On the money*.

Assessment of third sector organisations' attitudes to borrowing

Indeed, 37% of the largest organisations which earn more than 60% of their income had a tangible interest in borrowing money compared with 27% of medium sized and 11% of small TSOs.

Figure 25 TSOs with a tangible interest in borrowing money by level of earned income
(Cumbria, NE and Yorkshire data)

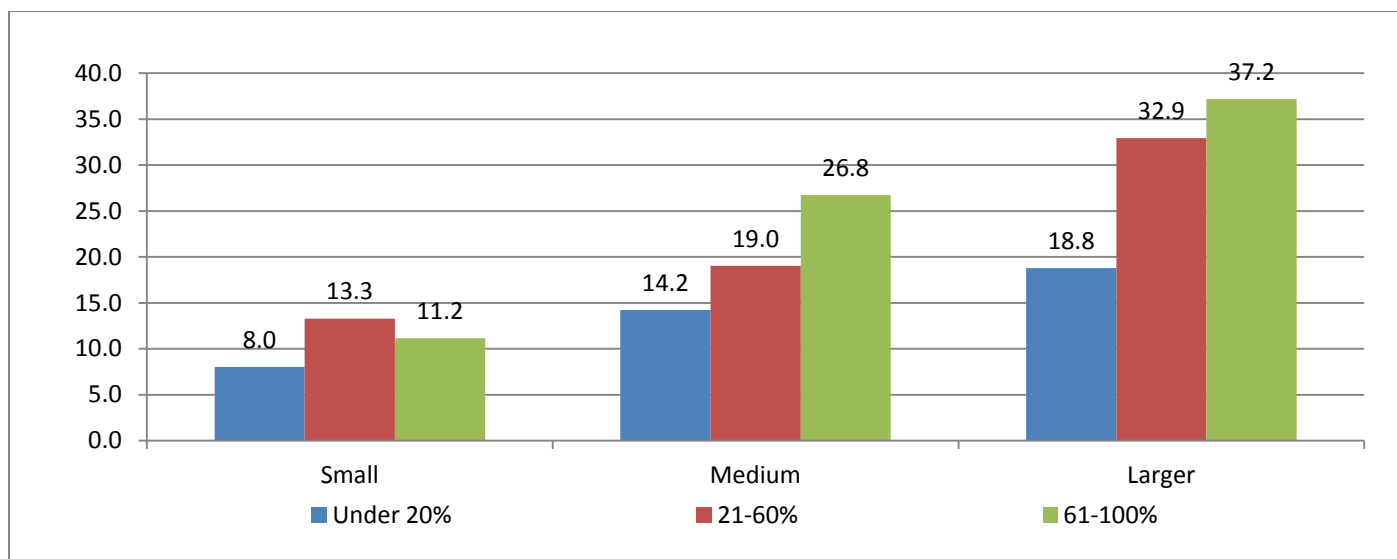


Figure 26 considers the purposes for which TSOs may consider taking a loan. These data only refer to Cumbria and North East England.

- Between 70-74% of TSOs in the whole sample state that they have no purpose for any such loans. The percentage of such organisations in Cumbria tends to be higher: in the range of 74-81%, suggesting a more limited need for all types of loans.
- A sizeable number of TSOs would not borrow money because it is against their values: 12% would not take a mortgage, 14% would not borrow to upgrade a property, 16% would not borrow to buy equipment, and nearly 19% would not borrow working capital on principal. There are no clear differences between the Cumbria TSOs and the whole sample.
- A similar percentage of TSOs (around 8%) state that they may borrow money for each of the stated purposes but say that they would need more information and support. There is a generally lower level of interest in getting information and support in Cumbria
- Between 1-3% of TSOs are seriously considering borrowing money, the majority of whom would borrow to buy a property (over 3%) or to upgrade a property (nearly 3%). There are too few cases to make comparisons between Cumbria and the whole sample.
- Few TSOs have recently made applications for loans (about 0.5% for all categories of loan). Of existing loans, mortgages are the most common form. There are too few cases to make comparisons between Cumbria and the whole sample.

Assessment of third sector organisations' attitudes to borrowing

Figure 26 Interest in taking loans for specific purposes (Cumbria and North East England data)	A mortgage to buy a property		A loan to upgrade a property		A loan to buy equipment of facilities		A loan to provide 'work capital'	
	All TSOs	Cumbria	All TSOs	Cumbria	All TSOs	Cumbria	All TSOs	Cumbria
No need to borrow money for this purpose	74.2	81.3	70.6	79.7	72.6	76.9	70.3	74.7
Would not borrow as it is against our values	11.5	11.5	14.1	11.5	16.1	14.2	19.0	17.6
May borrow money but need more information and support	7.6	3.6	9.8	6.4	8.7	6.3	8.0	6.1
We are seriously considering this now	3.3	1.3	2.8	0.3	1.2	1.0	1.6	0.3
We have already made an application for a loan for this purpose	0.4	0.7	0.6	1.0	0.4	0.3	0.5	0.7
We now have a loan for this (or have had one in the last 5 years)	3.1	1.6	2.0	1.0	0.9	1.3	0.7	0.7
N=	1011	305	991	295	998	76.9	992	296

7 Assets and interest in borrowing

Organisational potential to borrow money is likely to be affected by the level of assets held in order to secure loans.

Figure 27 presents data on the percentage of TSOs which hold particular types of assets. It is clear from this graph that:

- Few TSOs (7%) hold equity on property which is currently being bought under a mortgage. Of those TSOs which hold such equity, over a half hold over £250,000 of equity in such property.
- About a third of TSOs own property. The value of such property varies: 9% of TSOs own property valued under £50,000; 11% between £50,000 and £250,000; and, 13% own property valued above £250,000.
- About a third of TSOs have investments in stocks, shares or long term savings, the majority of TSOs hold investments under £50,000 (22% of all TSOs or about 69% of all TSOs holding investments).
- A clear majority of TSOs hold fixed assets (63%). The majority of TSOs (55%) hold fixed assets valued below £50,000; only 8% hold fixed assets of a higher value.
- Only 16% of TSOs have no money in a current account: 68% hold under £50,000 in a current account; 12% hold between £50,000-£250,000; and, just under 5% have over £250,000 in a current account.

In the analysis that follows, data on the assets held by TSOs have been combined to indicate the minimum level of overall assets held in property or investments. Cash reserves in current accounts are not included in this variable.²⁸

²⁸ As can be seen from the survey questionnaire in Appendix 2, respondents were asked to indicate their current assets in banded categories. Consequently it is not possible to combine responses to each of the questions about assets because it is not known whether the level of assets were in the upper, middle or lower reaches of each category.

Figure 27 **Ownership of assets by all TSOs (Cumbria, North East England and Yorkshire data²⁹)**

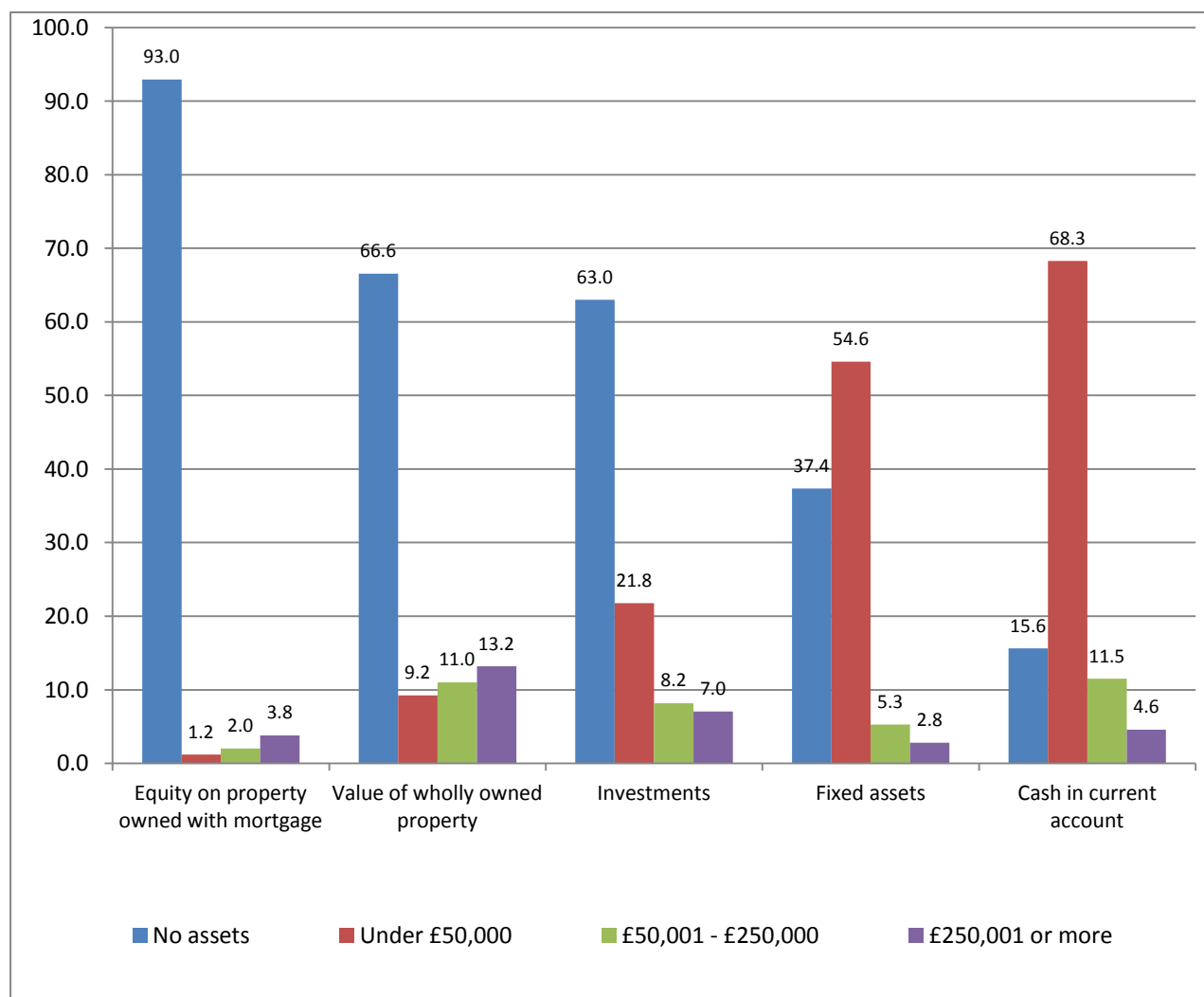


Figure 28 presents data on the asset base of TSOs, broadly defined, by the size of organisation (as measured by total income in the previous year). These data demonstrate clearly that organisational size, as would be expected, is closely associated with levels of assets.

- Only 2% of the micro TSOs have assets valued above £250,000 compared with 67% of the biggest TSOs.
- 61% of the micro TSOs have no assets compared with 12% of the biggest organisations.
- While there is a clear association between organisational size and level of assets, the middle sized TSOs (income £50,000-250,000) break the trend to some extent with 27% holding assets below £50,000 and 44% having no assets at all.

While making an obvious point about the relationship between organisational size and assets, the data provide clear evidence that the marketplace for secured loans will be found mainly, but not exclusively, in larger organisations.

²⁹ Data on fixed assets were only collected in North East and Cumbria surveys.

Figure 28 **Association between organisational size and organisational assets**
(Cumbria, North East England and Yorkshire data)

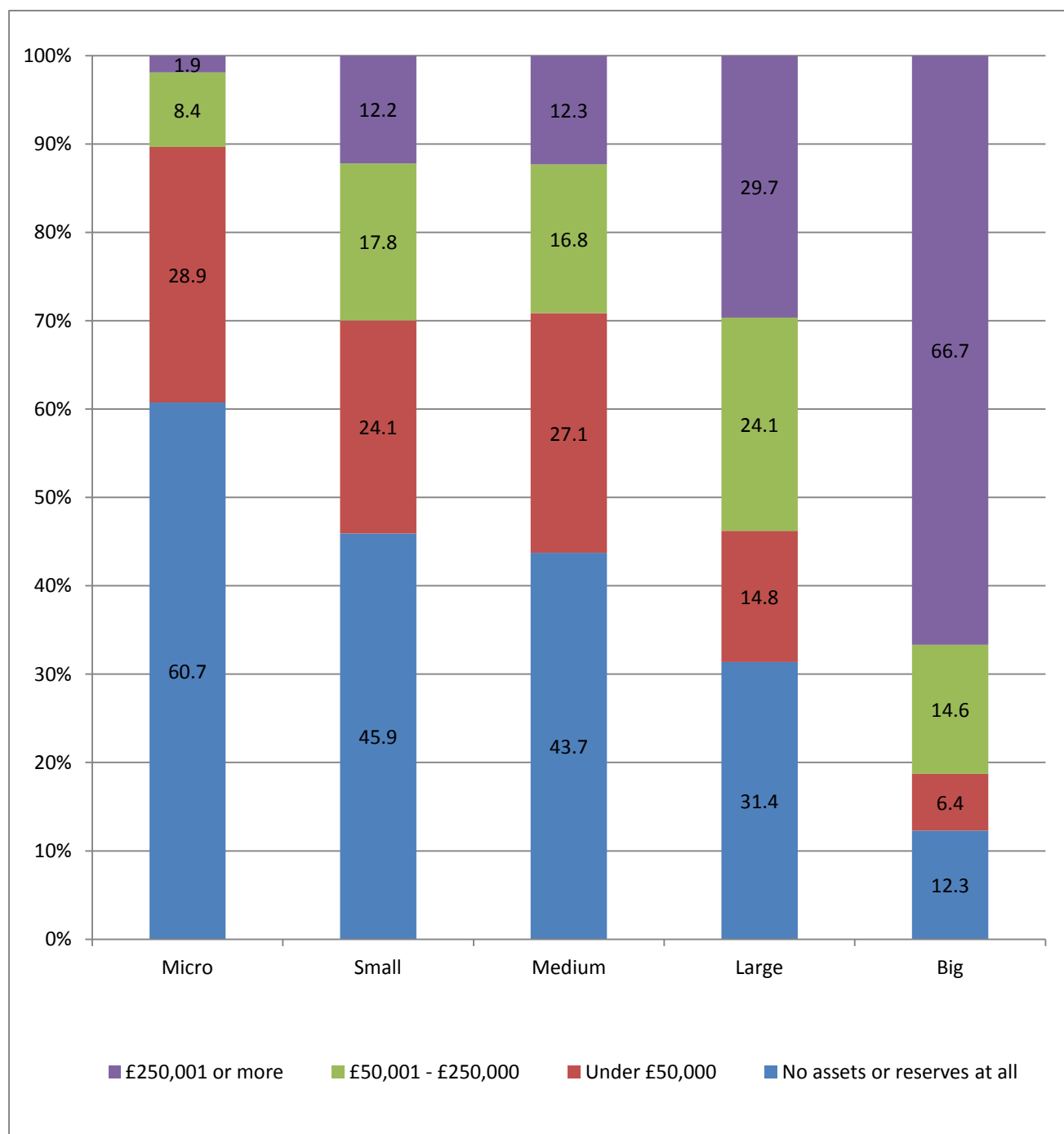
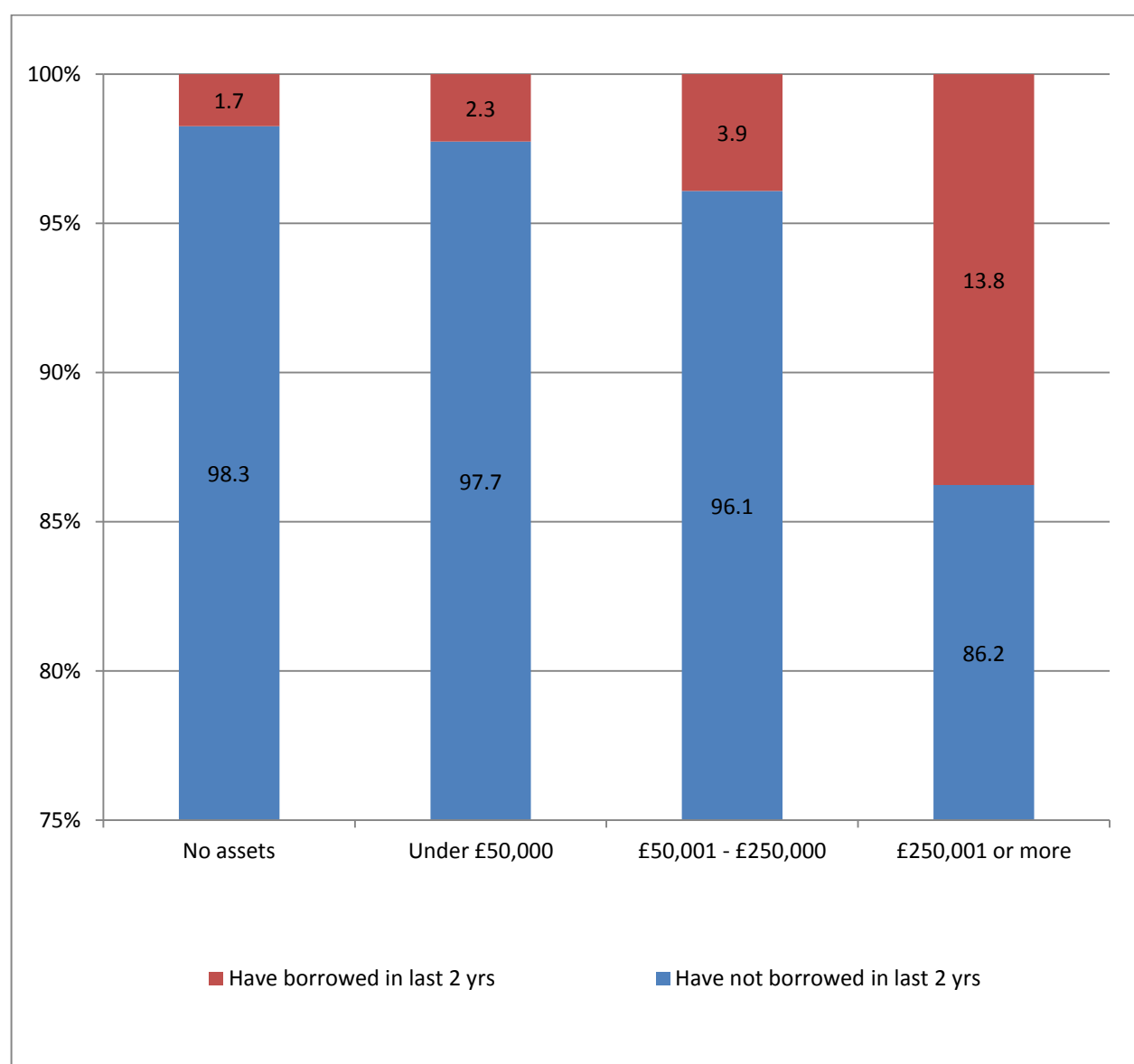


Figure 29 presents headline data to examine the extent to which the asset base of TSOs affects interest in taking loans. Assets are defined in broad terms to include property which is wholly owned, equity on a property with a mortgage, investments and fixed assets.

Many TSOs have a combination of these four types of assets, but they are categorised according the highest level of assets held in any one of these categories.

The data show that there is quite a strong association between levels of assets and borrowing in the last two years: about 4% of TSOs with assets valued between £50,000-£250,000 took loans; compared with 14% of TSOs with assets valued above £250,000. Only about 2% of TSOs with no assets or assets below £50,000 borrowed money.

Figure 29 **Headline data on the propensity of TSOs to borrow according to their asset base** (*Cumbria, North East England and Yorkshire data*)



8 Current use of reserves

It is useful, briefly, to assess the wellbeing of TSOs which hold different levels of assets or current account reserves by examining the extent to which they had drawn on reserves in the last two years – as shown in Figure 30.

While there are too few cases in Cumbria to do a separate analysis, the marginal percentages (in the two columns on the right of the figure) show that samples are broadly comparable with two important exceptions.

Firstly, the percentage of TSOs which have not drawn on reserves in Cumbria is higher than for the sample as a whole (43% and 35% respectively).

Secondly, TSOs in Cumbria were less likely to draw heavily upon or use some of their reserves for essential costs compared with the whole sample (14% and 21% respectively). These differences are likely to derive mainly from differences in sample structure.

Figure 13 shows that those organisations which hold assets were most likely not to have drawn on some reserves (around 40% irrespective of the value of their assets).

- The TSOs with assets greater than £250,000 were much more likely to have drawn upon reserves to invest in new activities (27%).
- The use of reserves for essential costs was more common amongst TSOs with lower levels of reserves (that is, below £250,000). Around 21% of these organisations drew to some extent on their reserves.

Figure 30 Use of reserves in the last two years (Cumbria, North East England and Yorkshire data)	No assets or reserves (excluding current account)	Under £50,000	£50,001 - £250,000	£250,001 or more	All TSOs	Cumbria TSOs
No, we don't have any reserves	37.1	16.0	10.9	7.8	23.1	23.3
No, we have not drawn on our reserves	27.9	39.2	39.9	40.5	34.6	42.7
Yes, we have used 'some' of our reserves to invest in new activities (such as buying property, developing a new service, employing a development worker)	9.1	13.1	16.6	24.3	13.7	13.6
Yes, we drawn 'heavily' on our reserves to invest in new activities (such as buying property, developing a new service, employing a development worker)	1.5	1.4	2.1	2.9	1.8	1.1
Yes, we have used 'some' of our reserves for essential costs (such as salaries, rent etc.)	16.1	19.4	16.3	11.0	16.0	11.6
Yes, we have drawn heavily on our reserves for essential costs (such as salaries, rent etc.)	5.5	5.1	5.0	6.1	5.4	2.2
We have used 'some' reserves for both investment and essential costs	2.5	4.2	7.7	6.1	4.3	4.4
We have drawn 'heavily' on reserves for both investment and essential costs	0.4	1.6	1.5	1.4	1.0	1.1
N=	928	495	338	346	2107	361

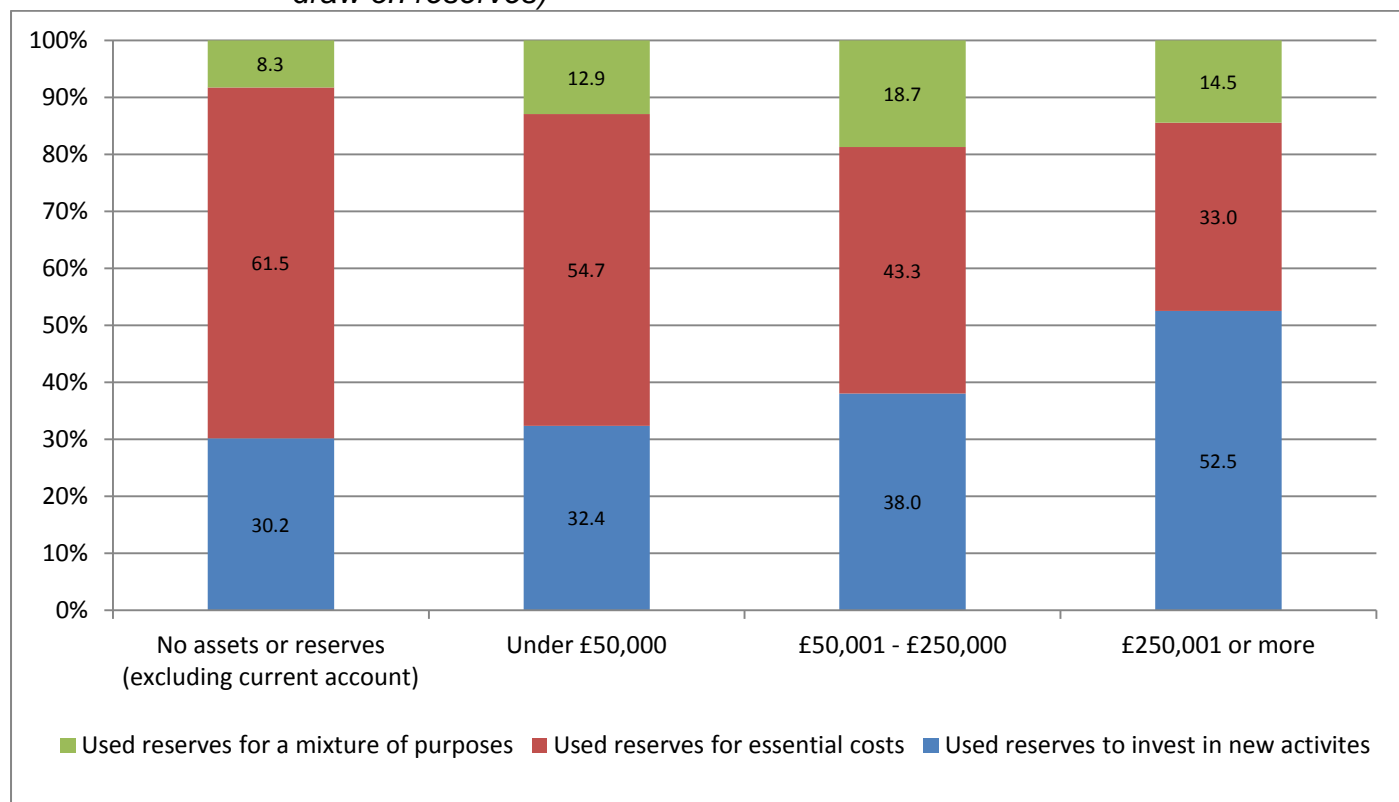
When TSOs which have no reserves, or did not draw upon reserves, are removed from the analysis, the reality of the situation for those TSOs which have used reserves becomes more clear. As shown in Figure 31:

- 62% of TSOs with no assets had used current account reserves for essential costs compared with just 33% of TSOs with the strongest asset base.
- 53% of TSOs with the strongest asset base invested in new activities from reserves compared with 30% of TSOs with no assets apart from cash in current accounts.

The analysis begs the question, would some TSOs be well advised to borrow money to develop new activities rather than, say, drawing upon cash reserves in current accounts? And should TSOs with a strong asset base draw upon these assets directly to pay for new developments, or would borrowing be a better long term option?

Assessment of third sector organisations' attitudes to borrowing

Figure 31 **Percentages of TSOs drawing upon reserves to invest in new activities or meet essential costs** (excluding TSOs with no reserves or which did not draw on reserves)



9 Assets and purpose of borrowing

Figure 32 presents data on the interest expressed in borrowing money according to the asset base of TSOs in Cumbria and North East England. As shown in the above analysis, there is a generally lower level of need to borrow in Cumbria when compared with the whole sample.

The data are divided into four sections which detail interest in borrowing to *buy a property*, *upgrade a property*, *buy equipment or facilities*, and *borrow working capital*. It is useful to disaggregate these data further by graphing the responses of those TSOs which have expressed an interest in borrowing or are borrowing now.

- Borrowing money to buy a property is the most popular option amongst TSOs (around 15%) – holding a mortgage now or interest in getting one rises as the asset base of organisations grow.
- Interest in borrowing to upgrade a property is strongest amongst TSOs with the largest asset base. Almost 90% of TSOs with no assets state that they are not interested in or in need of such a loan compared with 75% of TSOs with the largest asset base.
- Interest in borrowing money for equipment or facilities is fairly similar, irrespective of TSOs' asset base.
- Borrowing working capital is not a priority or an option that would be taken by the majority of TSOs (89%). Complete opposition to the principle of borrowing for this purpose is strongest amongst TSOs with no assets (23%) compared with 11% of TSOs with the largest asset base.

Assessment of third sector organisations' attitudes to borrowing

Figure 32 TSOs interest in borrowing money according to their asset base (Cumbria and North East England only)	No assets or reserves at all	£0- £50,000.	£50,001- £250,000.	£250,001 or more	All TSOs	Cumbria TSOs
Mortgage to buy a property						
No need to borrow money for this purpose	79.6	73.6	71.9	66.7	74.0	81.3
Would not borrow as it is against our values	11.4	12.8	12.4	7.9	11.3	11.5
May borrow but need more information & support	6.4	7.9	10.8	7.4	7.8	3.6
Seriously considering this now	2.3	4.9	2.7	3.7	3.4	1.3
Already made an application for a loan for this purpose	0.0	0.4	0.0	1.6	0.4	0.7
Have a loan for this (or have had one in the last 5 years)	0.3	0.4	2.2	12.7	3.1	1.6
N=	343	265	185	189	982	305
Loan to upgrade a property						
No need to borrow money for this purpose	74.3	73.6	63.2	65.6	70.3	79.7
Would not borrow as it is against our values	14.9	14.3	16.5	9.5	14.0	11.5
May borrow but need more information & support	9.0	7.8	14.8	10.6	10.1	6.4
Seriously considering this now	1.2	3.5	3.3	4.8	2.9	0.3
Already made an application for a loan for this purpose	0.3	0.0	0.5	2.1	0.6	1.0
Have a loan for this (or have had one in the last 5 years)	0.3	0.8	1.6	7.4	2.1	1.0
N=	335	258	182	189	964	295
Loan to buy equipment or facilities						
No need to borrow money for this purpose	69.1	74.3	72.1	77.0	72.6	76.9
Would not borrow as it is against our values	18.5	16.9	15.8	10.2	16.0	14.2
May borrow but need more information & support	10.3	6.9	9.8	8.6	9.0	6.3
Seriously considering this now	1.2	1.1	1.6	0.5	1.1	1.0
Already made an application for a loan for this purpose	0.0	0.4	0.5	1.1	0.4	0.3
Have a loan for this (or have had one in the last 5 years)	0.9	0.4	0.0	2.7	0.9	1.3
N=	340	261	183	187	971	303
Borrow working capital						
No need to borrow money for this purpose	66.8	69.3	70.2	77.2	70.1	74.7
Would not borrow as it is against our values	22.9	19.9	17.7	11.4	18.9	17.6
May borrow but need more information & support	7.6	8.0	11.0	6.0	8.1	6.1
Seriously considering this now	1.5	2.3	1.1	1.6	1.7	0.3
Already made an application for a loan for this purpose	0.6	0.0	0.0	1.6	0.5	0.7
Have a loan for this (or have had one in the last 5 years)	0.6	0.4	0.0	2.2	0.7	0.7
N=	340	261	181	184	966	296

■ **Interest in borrowing to buy a property**

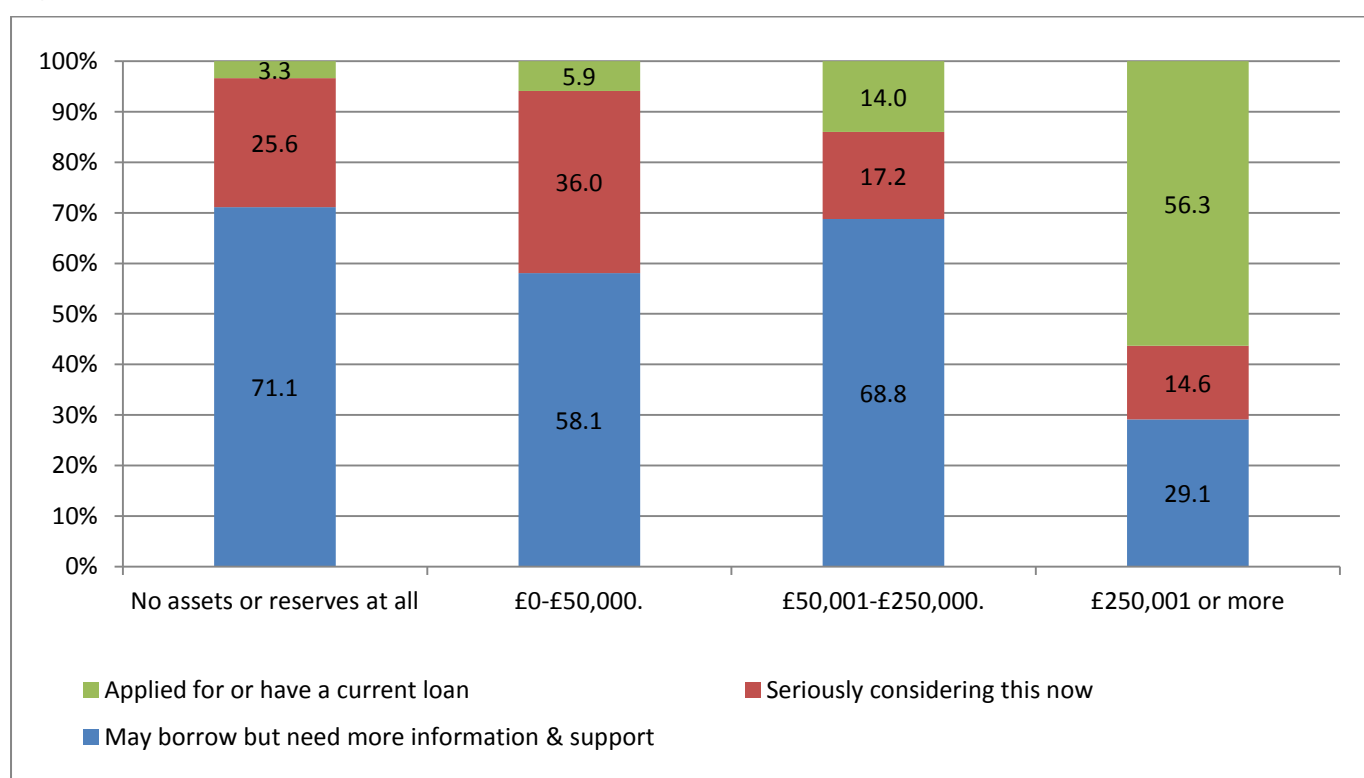
Figure 32(a) presents data only on those TSOs which have a tangible interest in borrowing and excludes those which have no need of a loan or would not take one due to organisational values.

It is apparent that the larger the asset base a TSO holds, the more likely it will have a serious interest in borrowing or is borrowing now (71%).

TSOs with moderate assets, between £50,000 and £250,000 appear to be strongly in need of information and support (69%) before they make a decision: only 31% are borrowing now or have a serious interest in borrowing.

TSOs with assets below £50,000 are the most likely to be seriously considering the possibility of a mortgage.

Figure 32(a) **Percentage of TSOs considering or taking loans to buy a property**



■ **Interest in a loan to upgrade a property**

TSOs which have an interest in borrowing to upgrade a property are shown in Figure 32(b).

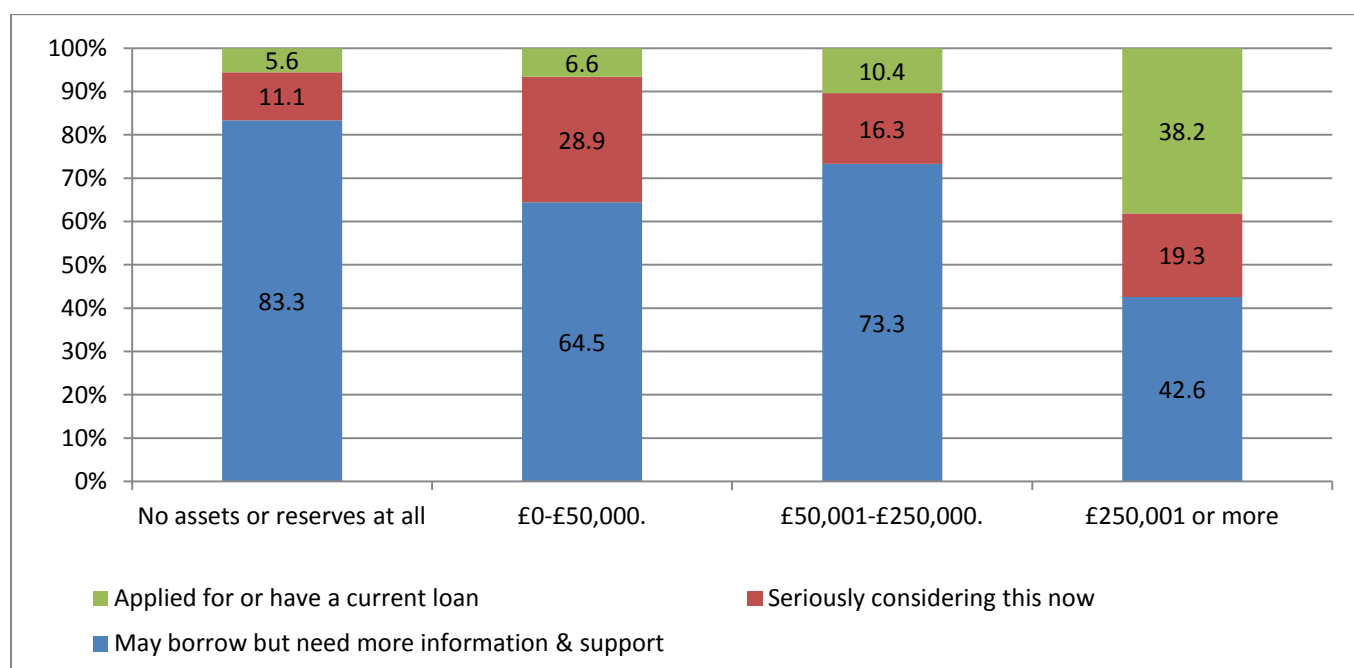
It is apparent that TSOs with the strongest asset base are much more likely to have a current application for a loan or have a loan already (38%).

About 43% of TSOs with the strongest asset base feel that they would need more information and support before they embarked on this course of action.

TSOs with assets between £50,000-£250,000 seem to be most likely to need information and support before they take a serious interest in taking a loan to upgrade a property.

Assessment of third sector organisations' attitudes to borrowing

Figure 32(b) **Percentage of TSOs considering or taking loans to upgrade a property**



■ **Interest in a loan to buy equipment or facilities**

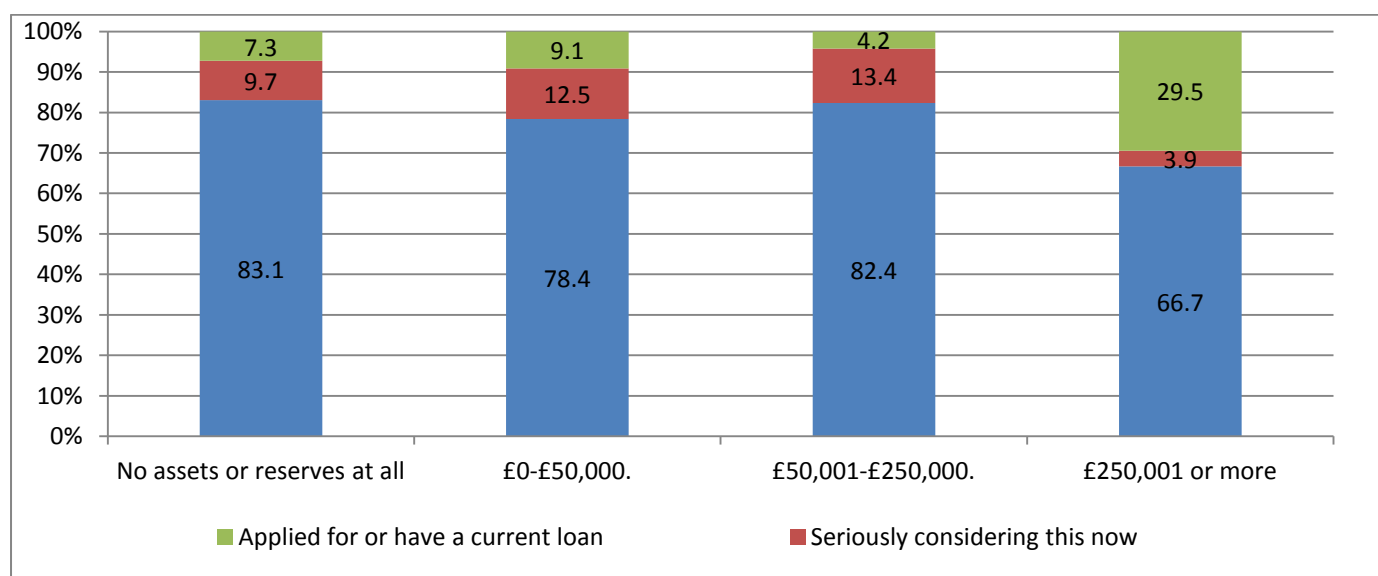
Figure 32(c) shows what percentage of TSOs are interested in borrowing money, or are currently borrowing money for equipment or facilities.

The asset base of TSOs does seem not impact strongly on attitudes with the exception of the most asset rich organisations.

Around 80% of TSOs state that they need more information and support: although the TSOs with the largest asset base are less likely to suggest this (67%).

TSOs with assets exceeding £250,000 are most likely to have applied for a loan or have one now (30%) while a further 4% are seriously considering the idea.

Figure 32(c) **Percentage of TSOs considering or taking loans to buy equipment or facilities**



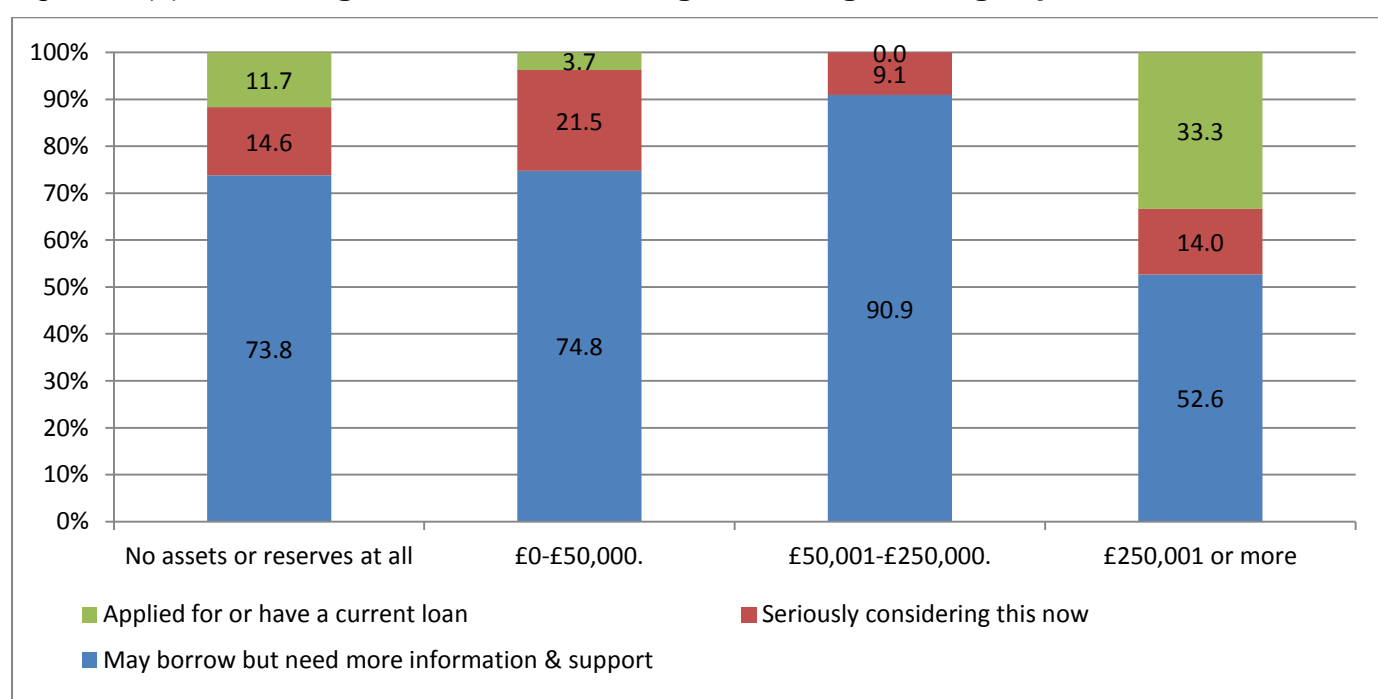
■ Interest in borrowing working capital

Figure 32(d) shows the extent of interest in borrowing working capital. It is clear that active interest (i.e. having a loan now or an application for a loan) is held mainly by TSOs with the largest asset base (30%).

Around 74% of TSOs with no assets or more limited assets state that they would need more information and support before they seriously considered borrowing compared with 52% of TSOs with the strongest asset base.

It needs to be remembered, however, that even amongst all organisations with the strongest asset base, interest borrowing working capital is limited (below 8%). It should also be noted that numbers of TSOs interested in borrowing working capital across the three surveys is small, so these percentages need to be viewed with caution.

Figure 32(d) **Percentage of TSOs considering borrowing working capital**

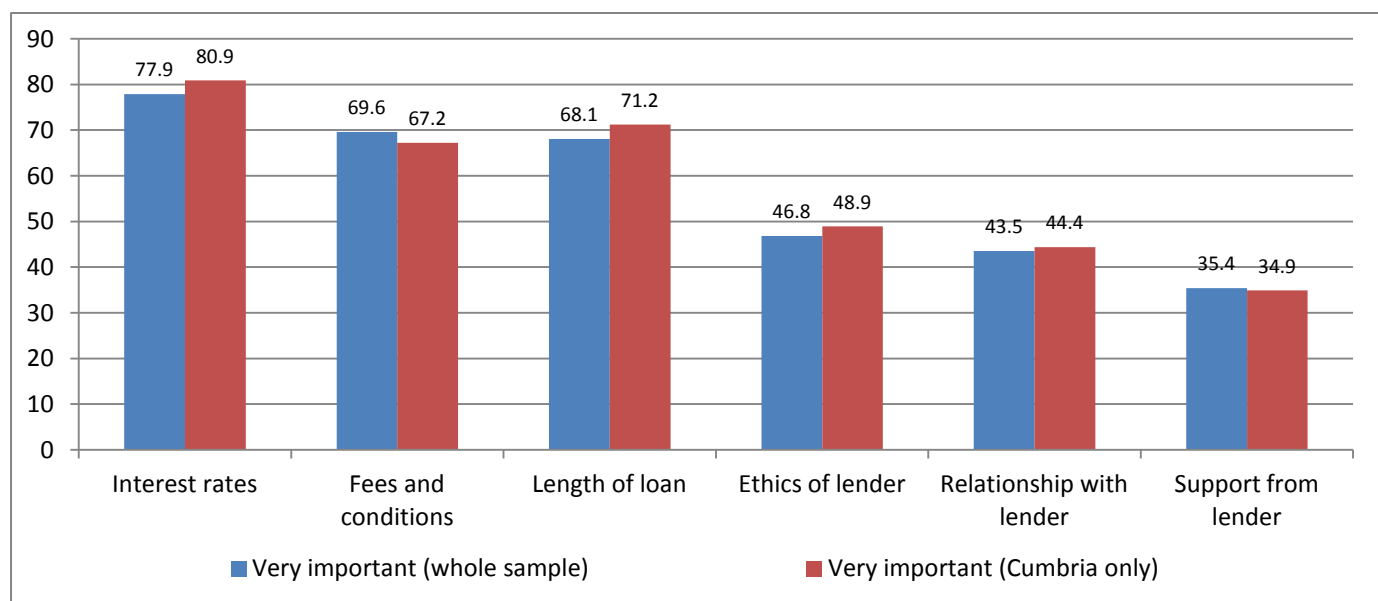


It is useful to explore which factors may influence TSOs when they are seeking loans. As Figure 33 shows, there is a clear hierarchy of importance in such considerations.

- About 80% of TSOs state that interest rates are very important when considering loans.
- Around 70% of TSOs state that fees and conditions and the length of loan period are very important in their considerations about loans.
- About 47% of TSOs consider the ethics of a lender as being very important to them when considering loans and 44% say that the relationship they have with their lender is very important.
- Only just over a third of TSOs state that receiving information and support from lenders is very important to them.

Assessment of third sector organisations' attitudes to borrowing

Figure 33 Greatest importance attached to loan arrangements by TSOs (comparing Cumbria with the whole North East and Cumbria Sample)



There are some variations in the percentage of TSOs, when compared by size, which stress great importance on aspects of loan arrangements. Figure 34 shows, in descending order, the percentage of TSOs stating which arrangements are 'very important' to them when considering loans.

These data show that largest TSOs emphasise strong importance in relation to interest rates, length of term and fees and conditions – although the differences between these percentages and those of medium sized organisations are not large. Small organisations are less likely to express strong concern about such issues.

Medium sized TSOs are most likely to state that the ethics of lenders, their relationship with lenders and support given by lenders is very important to them when compared with larger or smaller TSOs.

Figure 34 Importance attached to loan arrangements by size of TSOs

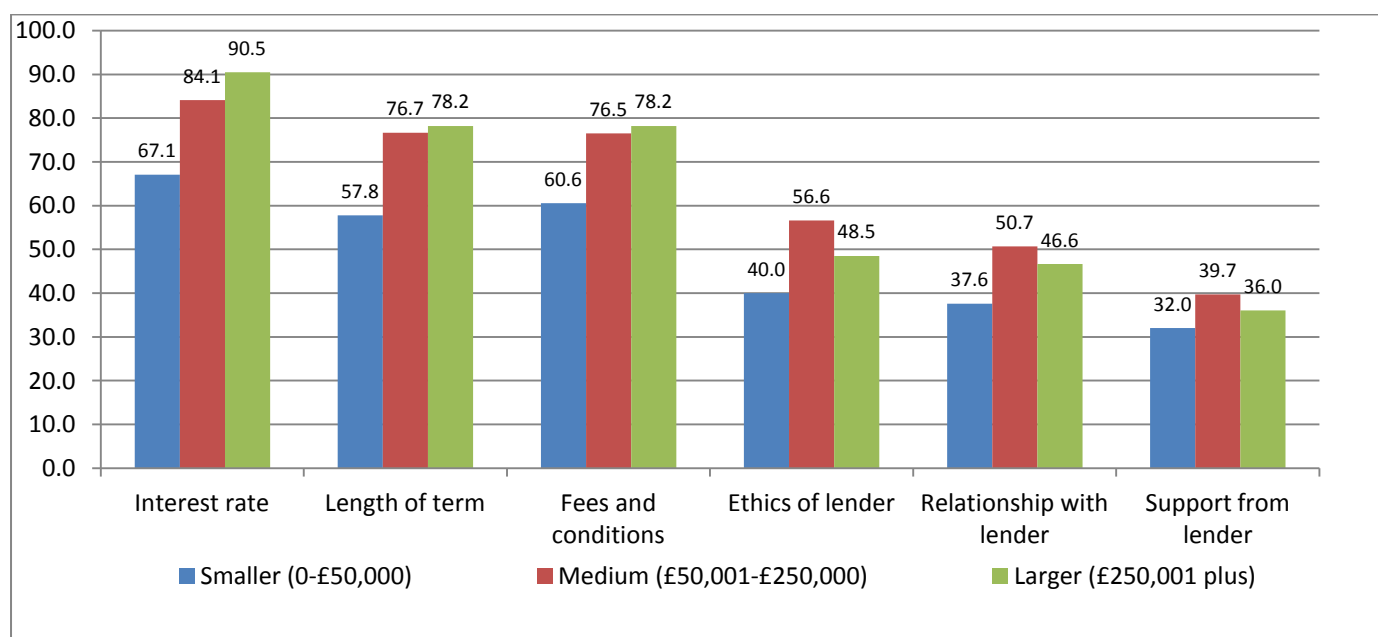


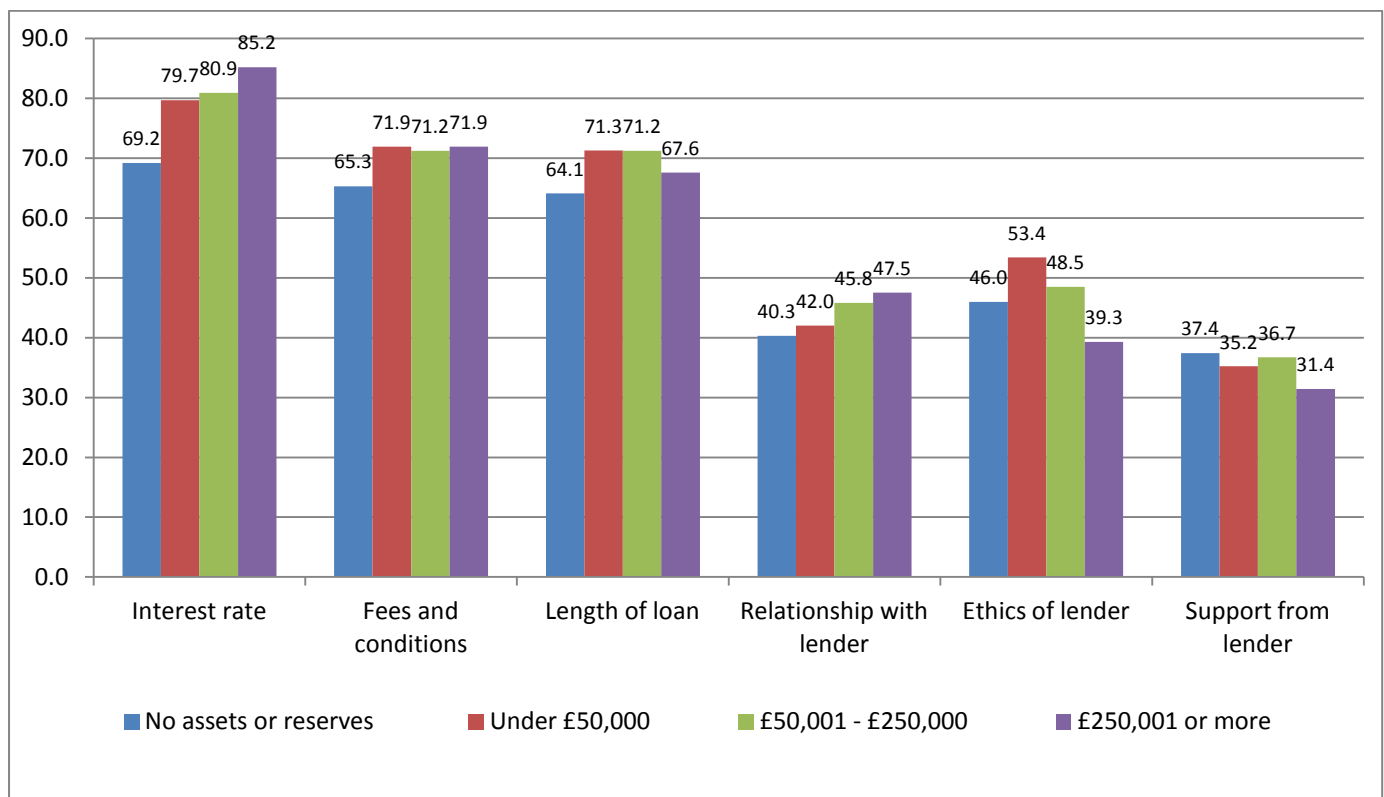
Figure 35 presents data on the relationship between TSOs' asset base and their consideration of 'very important' factors when thinking about borrowing money.

A clear impression is given that the asset base of TSOs does not strongly impact upon the likelihood of organisations stressing great importance on loan arrangements – especially so amongst those TSOs which have at least some assets.

There are some exceptions worth noting.

- Organisations with a stronger asset base are progressively more likely to stress the importance of a good relationship with a lender.
- The ethical code of lenders tends to be regarded as of lower importance as the asset base of TSOs increases.
- Support from lenders is of less importance to the TSOs with the strongest asset base.
- The length of a loan is of greatest importance to TSOs with small or middling levels of assets.
- Interest rates are accredited with greater importance the larger the asset base of TSOs.

Figure 35 **Loan arrangements which are regarded as 'very important' according to the asset base of TSOs (North East and Cumbria samples)**



10 Purpose, value and marketplace for loans

This concluding analytical section of the report considers: the choices TSOs would make of lending institutions for loans of different purposes; the value of loans that may be considered for different purposes' and estimates on the size of the marketplace for loans in Cumbria.

Figure 36 shows the preferences TSOs express when choosing lenders. These data, which refer only to the Cumbria sample, show that TSOs' preferences when approaching lenders vary to some extent depending upon the purpose of a loan.

- When considering a mortgage, over half of TSOs would approach a charitable foundation or a social investor (such as *Charity Bank*), about 40% would approach a high street bank.
- When considering a loan to upgrade a property, nearly half of TSOs would choose a social investor (48%) and 40% would approach a high street bank. Charitable foundations are also considered as an option by a third of TSOs.
- When considering a loan for equipment or facilities, almost 60% of TSOs would approach a charitable foundation, compared with 27% approaching a social investor and 20% approaching a high street bank or local authority.
- When considering borrowing working capital, 37% would approach a charitable foundation, while between 16-20% would consider approaching a social investor, local authority or a high street bank.
- Relatively few TSOs (around 12-15%) would consider approaching a private investor or development trust for any type of loan. Credit unions are not generally considered for loans, but if they are, it is mainly in relation to upgrading property or the purchase of equipment and facilities (between 7-9%).

The preferences TSOs offer for the institutions they may approach to borrow money may not, of course, sit closely with the policies or interests of lending institutions. It may be the case, for example, that charitable foundations are given strong preference because they represent a 'well trodden path' for TSOs when seeking money, whilst the reality is that such loans are unlikely to be on offer.³⁰

³⁰ Recent research for the Garfield Weston foundation shows that in North East England, many TSOs are reluctant to apply for grants from institutions they do not know or have not worked with before. This was shown to be largely related to the level of risk associated with 'blind' bids rather than, necessarily, a strong relationship with charitable foundations as such. See Pharoah *et. al.* (2014).

Figure 36 TSOs preferred lending institutions ³¹	Charitable foundation	Social investor	High street bank	Local authority	Private lender / investor	Development trust	Credit union	Number interested in borrowing money
Mortgage to buy a property	52.6	50.9	40.4	15.8	15.8	14.0	1.8	57
Upgrade a property	33.3	48.3	40.0	25.0	15.0	13.3	6.7	60
Equipment or facilities	58.6	27.1	20.0	21.4	14.3	15.7	8.6	70
Working capital	37.3	20.0	18.7	16.0	10.7	10.7	5.3	75

Because relatively few TSOs are interested in borrowing money in the Cumbria study it is not, unfortunately, possible to cross-tabulate data on organisational characteristics with their choice of lending institution or the amount of money they may wish to loan. It is, however, possible to show how much they may borrow for particular purposes, as shown in Figure 37.

- 90% of TSOs would not consider taking a mortgage, amongst the 10% of TSOs which would consider doing so – 86% would require a mortgage in excess of £50,000.
- About 86% of TSOs would not consider a loan to upgrade a property, but amongst the 14% which would consider this, 73% would need a loan under £50,000.
- Almost 12% of TSOs would consider taking a loan to buy equipment or facilities. In this group of TSOs, 85% would need a loan under £50,000.
- Few TSOs are interested in borrowing working capital (about 6% of TSOs). Amongst those which would consider taking a loan, 86% would need a loan under £50,000.

In order to make estimates of the size of the marketplace in Cumbria for loans under £50,000 multipliers have been applied to the sample data. This produces the following estimates on demand.

- Between 22-29 TSOs in Cumbria are interested in borrowing under £50,000 for a mortgage.
- Between 172-226 TSOs in Cumbria are interested in borrowing under £50,000 to upgrade a property.
- Between 188-248 TSOs in Cumbria are interested in borrowing under £50,000 to buy equipment or facilities.
- Between 94-124 TSOs in Cumbria are interested in borrowing under £50,000 to provide them with working capital.

³¹ TSOs were given the opportunity to 'tick all that apply' in each loan category – rows do not, therefore, round up to 100%.

Figure 37 Percentage of TSOs in Cumbria which would borrow specific sums of money for different purposes	A mortgage to buy a property	A loan to upgrade a property	A loan to buy equipment of facilities	A loan to provide 'working capital'
Would not borrow	89.9	85.8	87.7	93.1
Less than £5,000.	0.0	2.4	4.8	1.4
£5,001 - £25,000.	0.7	6.4	5.8	3.5
£25,001 to £50,000.	0.7	1.7	1.0	1.0
£50,001 - £100,000.	3.7	1.7	0.3	0.3
More than £100,001.	5.0	2.0	0.3	0.7
All TSOs	10.1	14.2	12.3	6.9
N=	298	295	293	289
% of TSOs which would borrow £1-£50,000	1.3	10.5	11.6	5.9
Number who would borrow £1-£50,000	4	31	34	17
Range of estimated numbers of TSOs interested in borrowing for Cumbria as a whole ³²	22-29	172-226	188-248	94-124

³² Two multipliers are used in this calculation to show the range of possible numbers of organisations interested in borrowing. A lower multiplier of 5.534 is applied to bring the number of charities up to the number of TSOs estimated to exist in Cumbria by Kane and Mohan (2010) based on Guidestar data. A higher multiplier of 6.419 is used to reflect national Charity Commission national data. For a full explanation see Appendix 1.

11 Summary and implications

Summary of key findings

Third sector organisations (TSOs) in Cumbria operate in a similar way to adjacent regions in the North of England. But when interpreting the evidence provided in this report, it is important to take the following findings about beneficiaries served into account:

- In Cumbria, the percentage of TSOs serving people in rural areas (34%) is 14.5% above the average for the combined samples.
- In Cumbria, the percentages of TSOs serving unemployed or workless people, people from particular ethnic/racial origins, and people in disadvantaged urban areas is about 7% below the average for the combined samples.
- While the difference is not pronounced, 40% of TSOs serve the interests of older people compared with a sector average of 36%.

Similarly, the following differences in income profiles should be taken into account when broad findings are discussed from across Cumbria, North East England and Yorkshire and Humber.

- TSOs in Cumbria tend to enjoy a greater degree of financial stability: 75% of TSOs have maintained a similar level of income in the last two years.
- The percentage of TSOs in Cumbria with rising income is similar to other regions at 11%, while those with falling income is somewhat lower at 14% compared with about 21-23% in other regions.

Reliance on different sources of income, as defined by their importance or great importance to organisations, differs to some extent from neighbouring regions:

- 60% of Cumbria TSOs rely on grants (compared with 72% in other regions).
- 23% of Cumbria TSOs on contracts (compared with 34-46% in other regions)
- Cumbria TSOs' reliance on earned income is about the same as other regions (37%).
- Investment income is more important to Cumbria organisations (21% compared with 8-15% in other regions).
- Borrowing is important to only about 3% of TSOs in Cumbria.

When the business practices and functions of organisations are considered, the following differences should be noted.

- Organisations in Cumbria are less likely to be delivering public sector services by contract and are generally less engaged with 'primary' service delivery to beneficiaries (about 18% of TSOs compared with 33-37% in neighbouring regions).
- Only 13% of TSOs in Cumbria are bidding for or currently doing contracts as such – slightly fewer than neighbouring regions. Many more TSOs in Cumbria, however, are not interested in such work (55% compared with 32-44% in neighbouring regions).

- Larger TSOs in Cumbria, however, are similarly disposed to contract working (52%) when compared with other regions (50-59%).
- Partnership bidding to win contracts is less popular in Cumbria: only 18% are bidding or doing work in partnership compared with 25-24% in neighbouring regions. Indeed, 72% of TSOs in Cumbria are not considering partnership bidding as an option which is often a pre-requisite for larger public sector service contracts.

Borrowing money is something only a minority of TSOs do across the three regions studied in this report. In Cumbria, the following findings should be noted:

- About 14% of TSOs in Cumbria have a tangible interest in borrowing money. The smallest organisations have little interest (6%) whilst 39% of the largest TSOs have a tangible interest.
- Only about 4% of TSOs in Cumbria are currently borrowing money (less than 1% of micro organisations and 23% of the largest TSOs).
- The most popular purposes for borrowing in order of priority are: to invest in new activities, take a mortgage to buy a property, or for mixed purposes.

There is not a strong relationship shown in general between TSOs' level of *earned income* (an indicator of enterprising activity) and an interest in borrowing. Larger TSOs with more than 60% of earned income are more interested in borrowing (37% compared with 19% of larger TSOs which earn less than 20% of income).

There is a much stronger relationship between the *ownership of assets* and a willingness to borrow.

- Borrowing money to buy a property is the most popular option amongst TSOs (around 15%) – holding a mortgage now or interest in getting one rises as the asset base of organisations grow.
- Interest in borrowing to upgrade a property is strongest amongst TSOs with the largest asset base. Almost 90% of TSOs with no assets state that they are not interested in or in need of such a loan compared with 75% of TSOs with the largest asset base.
 - About 43% of TSOs with the strongest asset base feel that they would need more information and support before they embarked on this course of action.
 - TSOs with minimum assets of £50,000-£250,000 seem to be most likely to need information and support before they take a serious interest in taking a loan to upgrade a property.
- Interest in borrowing money for equipment or facilities is fairly similar, irrespective of TSOs' asset base.
 - Around 80% of TSOs which have shown an interest in borrowing for this purpose state that they need more information and support: although the TSOs with the largest asset base are less likely to suggest this (67%).
 - TSOs interested in borrowing which have assets exceeding £250,000 are most likely to have applied for a loan or have one now (30%) while a further 4% are seriously considering the idea
- Borrowing working capital is not a priority or an option that would be taken by the majority of TSOs (89%). Opposition to the principle of borrowing for this purpose is strongest amongst TSOs with no assets (23%) compared with 11% of TSOs with the largest asset base.

Assessment of third sector organisations' attitudes to borrowing

- Around 74% of TSOs with an interest in borrowing for this purpose with none or few assets state that they would need more information and support before they seriously considered borrowing compared with 52% of TSOs with the strongest asset base.
- Even amongst organisations with the strongest asset base, interest in borrowing working capital is limited (below 8%). It should also be noted that numbers of TSOs interested borrowing working capital across the three surveys is small, so percentages need to be viewed with caution.

Amongst those TSOs in Cumbria which are prepared to consider the idea of taking a loan, they are likely to have the following priorities when about loan conditions and lending institution.

- About 80% of TSOs state that *interest rates* are very important when considering loans
- Around 70% of TSOs state that *fees and conditions* and *the length of loan period* are very important in their considerations about loans.
- About 47% of TSOs consider the *ethics of a lender* as being very important to them when considering loans and 44% say that the *relationship they have with their lender* is very important.
- Only just over a third of TSOs state that *receiving information and support from lenders* is very important to them.

Cumbrian TSOs' choice of lenders is dependent to some extent upon the purpose of a loan.

- When considering a mortgage, over half of TSOs would approach a charitable foundation or a social investor (such as *Charity Bank*) and about 40% would approach a high street bank.
- When considering a loan to upgrade a property, nearly half of TSOs would choose a social investor (48%) and 40% would approach a high street bank. Charitable foundations are also considered as an option by a third of TSOs.
- When considering a loan for equipment or facilities, almost 60% of TSOs would approach a charitable foundation, compared with 27% with a social investor and 20% for a high street bank of local authority.
- When considering borrowing working capital, 37% would approach a charitable foundation, while between 16-20% would consider approaching a social investor, local authority or a high street bank.
- Relatively few TSOs (around 12-15%) would consider approaching a private investor or development trust for any type of loan. Credit unions are not generally considered for loans, but if they are, it is mainly in relation to upgrading property or the purchase of equipment and facilities (between 7-9%).

TSOs preferences for the institutions they may approach to borrow money may not, of course, sit closely with the policies or interests of lending institutions. It may be the case, for example, that charitable foundations are given strong preference because they represent a 'well trodden path' for TSOs when seeking money, whilst the reality is that some such loans are unlikely to be on offer.

Many TSOs in Cumbria state that they may consider borrowing specific sums of money for particular purposes.

Assessment of third sector organisations' attitudes to borrowing

- 90% of TSOs would not consider taking a mortgage or do not need one, amongst the 10% of TSOs which would consider doing so – 86% would require a mortgage in excess of £50,000.
- About 86% of TSOs would not consider a loan to upgrade a property, but amongst the 14% which would consider this, 73% would need a loan under £50,000.
- Almost 12% of TSOs would consider taking a loan to buy equipment or facilities. In this group of TSOs, 85% would need a loan under £50,000.
- Few TSOs are interested in borrowing working capital (about 6% of TSOs). Amongst those which would consider taking a loan, 86% would need a loan under £50,000.

In order to make estimates of the size of the marketplace in Cumbria for loans under £50,000 multipliers have been applied to the sample data. This produces the following estimates on demand.

- Between 22-29 TSOs in Cumbria are interested in borrowing under £50,000 for a mortgage.
- Between 172-226 TSOs in Cumbria are interested in borrowing under £50,000 to upgrade a property.
- Between 188-248 TSOs in Cumbria are interested in borrowing under £50,000 to buy equipment or facilities.
- Between 94-124 TSOs in Cumbria are interested in borrowing under £50,000 to provide them with working capital.

It should be remembered that these estimates are based only upon 'tangible' indicators of interest in borrowing rather than a definite commitment.

Implications

This report has shown that in recent years there has been much speculation about the extent of demand for borrowing by TSOs. Much of the debate surrounding the issue has focused more specifically on the demand for 'social investment'. It has been argued that while there have been several research reports on the level of TSOs' demand for loans, estimates or actual claims made about the extent of interest in loans may have been exaggerated to some extent.

This tendency to over-estimate demand for borrowed money derives from the fact that most empirical studies on the issue have used small samples. Furthermore, such research has been specifically about social investment and consequently samples have generally been composed of self-selected responses from TSOs which are likely to have at least some interest in borrowing money; or where samples have been 'screened' by researchers to include organisations which are more likely have a favourable point of view

The results presented in this study provide a much more reliable indication of the likely levels of tangible or actual demand for borrowing money by TSOs. There are three reasons for this.

- Firstly, the sample size is large with more than 2,250 TSOs.
- Secondly, the sample covers a wide geographical area, so allowing for a range of social, cultural, economic and political circumstances within which TSOs operate at a local level.

- And thirdly, the data refer to TSOs of all shapes and sizes in a variety of localities (rather than just to the larger local or national organisations that may benefit from social investment or borrowing money for other reasons) – so providing a much more representative sample of organisations.

The study has focused on three regions of the North of England: Cumbria (in North West England), North East England and Yorkshire and Humber. These are spatially and economically varied areas as noted above and provide a good 'snap shot' of the current situation. But as research progresses on the Third Sector Trends study, there will be much scope to move beyond the analysis of the 'here and now' by contrasting organisations' approach to planning and practices between 2010 and 2014. It will, for example, be possible to assess whether reliance on particular sources of money has changed and whether organisations expectations about what they need to do to tackle the challenges of the future is changing too.³³

For the present, however, this report demonstrates the following:

- Most TSOs do not feel that they need to take a loan (and particularly so if they are not involved with the delivery of direct services to beneficiaries).
- TSOs which have low levels of income state that they have no purpose for loans or that disinterest in loans is due to a mismatch with their core values (but many medium sized and larger TSOs are not interested in loans either).
- TSOs which do not hold assets are less interested in the idea of loaning money (even if they are quite large TSOs). The more assets TSOs hold, the more likely they will be interested in borrowing money.

TSOs which have a 'tangible' interest in taking a loan, or have a loan now are in a minority. Some of those TSOs which are open to the idea of borrowing money in principle may be some distance from the point where they would actually approach a lender. Medium sized organisations, in particular, seem to be more likely to be in need of greater encouragement and support before they would become investment ready.

It is early days in this process, however, and it is clear that where TSOs do have an interest in loans, they are more likely to be thinking about practical applications – like buying equipment or refurbishing buildings that they can use to do their work. As Wells (2014) has shown in a qualitative programme of research running alongside the survey work, TSOs are more likely to be interested if a clear business case can be identified for such loans by TSOs. For example, if an organisation owns a large property, it may be worthwhile to upgrade parts of it if they have a reasonable expectation that it could then be rented. Or if a TSO operates buses to provide community transport and have reliable contracts to continue doing so – the purchase of a new bus via a loan will make sense.

The evidence presented in this report suggests that relatively few TSOs have considered or accepted the idea that borrowing working capital may benefit them. This may be due to the limited opportunities available from which they may benefit. Clearly, if a TSO cannot yet identify opportunities to secure long-term contracts to deliver a service (which might require them to scale up activity or bridge finances between delivery and payment) they will not take the idea of borrowing working capital seriously.

Raising demand for loans may be dependent upon some support for TSOs to become investment ready. This report demonstrates that there appears to be tangible demand for such support and Well's associated research in Cumbria demonstrates that organisations identify a number of strands of support that may usefully be offered to those organisations which can demonstrate a clear interest in borrowing.

³³ Headline findings from the longitudinal analysis are available in Chapman and Robinson (2014)

Assessment of third sector organisations' attitudes to borrowing

Building demand for such loans will not, however, just be a question of raising awareness about the benefits of loans and getting TSOs into the investment readiness zone. But rather, it will be to ensure that a range of factors converge simultaneously:

- That there is a growing number of organisations with a strengthening commitment to take the attendant risks of borrowing,
- That there is a growing commitment of social investors to share the relatively high transaction costs of providing loans to TSOs that are new to this kind of activity and being patient about getting a return on their investment.
- That there is a commitment by government (and the public sector bodies it funds) to let contracts to deliver public services which are secure, run for a sufficiently long time to make it worthwhile to take them on and have social objectives which are clearly stated, measurable and achievable.

These are demanding expectations and require a measure of culture change from all parties to recognise the pace at which new values and practices can be assimilated and be acted upon.

12

References

- Bell, V., Robinson, F., Chapman, T., van der Graaf, P., Shaw, S., Brown, J. and Chinaka, G. (2010) *Forearmed with Foresight: speculations on the future development of the third sector in North East England and Cumbria*, Newcastle: Northern Rock Foundation.
- Beltramini, R. and Otnes, C. (eds.)(1996) *Gift Giving: A Research Anthology*, Bowling Green, Ohio: Bowling Green State University Press.
- Berking, H. (1999) *The Sociology of Giving*, London: Sage.
- Big Society Capital Social (2013) *Investment Compendium: Portfolio of research and intelligence on the Social Investment Market*, London, Big Society Capital
<http://www.bigsocietycapital.com/sites/default/files/pdf/Social%20Investment%20Market%20Compendium>
- Brown, A. and Swersky, A. (2012) *The First Billion: a forecast of social investment demand September 2012*, London: Big Society Capital/Boston Consulting Group.
- Brown, A., and Norman, W. (2011) *Lighting the Touchpaper: growing the market for social investment in England*, London: Boston Consulting Group/Young Foundation.
- Cabinet Office (2013) *The Social Investment Market: The Role of Public Policy in Innovation and execution*, London: Cabinet Office/Saïd Business School.
- Chapman, T. (2014) *Third Sector Trends in Yorkshire and Humber*, Leeds: Involve Yorkshire and Humber.
- Chapman, T. and Robinson, F. (2013) *On the Money: how does the way third sector organisations think about money affect the way they work?*, Newcastle, Northern Rock Foundation
- Chapman, T. and Robinson, F. (2013) *The Crystal Ball: how do Third Sector Organisations see their future, and what are they doing about it?* Newcastle: Northern Rock Foundation.
- Chapman, T. and Robinson, F. (2014) *Keeping it simple: a discussion paper and evidence review*: Durham: Institute for Local Governance.
- Charities Aid Foundation (2014) *In Demand: the changing need for repayable finance in the charity sector*, West Malling, Kent: Charities Aid Foundation, 25 King's Hill Avenue, West Malling, Kent, ME19 4TA
- Cheal, D. (1988) *The Gift Economy*, London, Routledge.
- City of London Corporation (2014) *Marketing Social Investments – an outline of the UK financial promotion regime*, London: City of London Corporation.
- Davison, R. and Heap, H. (2013) *Can Social Finance Meet Social Need?* Liverpool: Can Cook/Tomorrow's People
- Gregory, D., Hill, K., Joy, I. and Keen, S. (2012) *Investment Readiness in the UK*, London: ClearlySo/ New Philanthropy Capital/Big Lottery Fund.
- Guardian (2014) 'Social impact bonds: is the dream over?', *The Guardian*, May 1st. Accessed September 15th 2014, <http://www.theguardian.com/voluntary-sector-network/2014/may/01/social-impact-bonds-funding-model-sibs-future>.
- H.M. Government (2013) *Growing the Social Investment Market: 2014 progress update*. London: Office for Civil Society, Cabinet Office.
- H.M. Government (2014) *Growing the Social Investment Market: 2014 progress update*. London: Office for Civil Society, Cabinet Office.

Assessment of third sector organisations' attitudes to borrowing

- Heap, H. and Davison, R. (2014) *The Investible Social Entrepreneur: Introducing Building Capital*, July Seebohm Hill; Liverpool.
- Huckfield, L. (2014) *Builder Capital: it's time to get real on social investment*, Blog: www.huckfield.com/blog/builder-capital-its-time-to-get-real-on-social-investment/
- ICF GHK and BMG (2013) *Growing the Social Investment Market: The Landscape and Economic Impact*, London: City of London Economic Department, Guildhall, London EC2P 2EJ.
- Joy, I. de Las Casas, L. and Rickey, B. (2011) *Understanding the Demand for Social Finance: research to inform the Big Society Bank*, London: NESTA/New Philanthropy Capital.
- Kane, D. and Mohan, J. (2010a) *Mapping Registered Third Sector Organisations in the North East*. Newcastle: Northern Rock Foundation.
- Kane, D. and Mohan, J. (2010b) *Mapping Registered Third Sector Organisations in Cumbria*. Newcastle: Northern Rock Foundation.
- Laing, N., Long, C., Marcandalli, A., Matthews, J., Grahovac, A. and Featherby, J. (2012) *The U.K. Social Investment Market: The Current Landscape and a Framework for Investor Decision Making*, Cambridge: Cambridge Associates.
- Mauss, M. (2002) *The Gift*, London: Routledge Classics.
- Mulgan, G. with Tucker, S., Rushanara, A. and Sanders, B. (2007) *Social Innovation: what it is, why it matters and how it can be accelerated*, Oxford: Said Business School.
- Nicholls, A. (2010) *The Social Enterprise Investment Fund (SEIF) Evaluation: The Landscape of Social Investment in the UK*, Birmingham, TSRC, University of Birmingham.
- Pharoah, C., Chapman, T. and Choudhury, R. (2014) *An insight into charity funding in the North East*, London: Garfield Weston Foundation.
- Rickey, B., Joy, I. and Hedley, S. (2011) *Best to Borrow? A charity guide to social investment*, London, New Philanthropy Capital.
- Shanmugalingam, C., Graham, J., Tucker, S. and Mulgan, G. (2011) *Growing Social Ventures: the role of intermediaries and investors: who they are, what they do, and what they could become*, London: NESTA/Young Foundation.
- Social Enterprise UK (2013) *Social Investment: an overview of the landscape for VCSEs in the youth sector*, London: NCVYS/Young Foundation/National Youth Agency.
- Social Finance (2012) *Payment by Results in the Youth Sector: youth outcomes: a guide for service providers and commissioners*, London: Social Finance/Catalyst Consortium.
- Social Investment Task Force (2010) *Social Investment Ten Years on: final report of the Social Investment Task Force*, London: Social Investment Task Force, 42 Portland Place, London W1B 1NB.
- Tarn, J.N. (1973) *Five Per Cent Philanthropy*. London: Cambridge University Press.
- Titmus, R. (1997) *The Gift Relationship*, London: LSE Books.
- Wells, P. et al. (2014) *Social Investment in Cumbria: a qualitative study of demand*. Sheffield: CRESR.
- Woollacott, J. (1980) 'Dirty and deviant work', in G. Esland and G. Salamon (eds.) *The Politics of Work and Occupations*, Milton Keynes: Open University Press.
- Zelitzer (1989) 'The social meaning of money: "special moneys"', *American Journal of Sociology*, 95:2, 342-77.

Appendix 1

Multipliers of sample data

In order to provide reasonable estimates of the number of charities interested in borrowing money in Cumbria, a multiplier has been applied to the Cumbria sample data using the following method. In 2010, Kane and Mohan estimated the number of TSOs in Cumbria to be 2,684 charities. This estimate was produced using 2007-8 Charity Commission data which had been incorporated into a wider data base by Guidestar UK (also to include Industrial & Provident Societies and Companies Limited by Guarantee which had a definitive social purpose).³⁴

Kane and Mohan and the Charity Commission divide the sector into four income bands as shown in Figure A1. The equivalent number of TSOs in the 2014 Cumbria sample was divided into the same categories. Charity Commission data refer to the national situation in 2012 rather than just to Cumbria (as reported on 24th March 2014³⁵). These figures were further adjusted to remove the percentage of TSOs which had not submitted financial returns to the Charity Commission by the census date.

As analysis proceeds, estimates can be used by income bands to produce a more accurate picture of Cumbria-wide demand for loans. In such analysis it would be wise to use a ranged estimate using the multiplier based on Kane and Mohan's analysis as this more closely reflects the distribution of charities in the county. In this paper a simpler approach is adopted – using an average of the four multipliers calculated for Kane and Mohan's Cumbria population estimates: 5.534 and the Charity Commission national estimates: 7.303 in order to calculate a range of estimates.

³⁴ See: Kane and Mohan (2010a and 2010b)

³⁵ Data drawn from: <http://www.charitycommission.gov.uk/about-charities/sector-facts-and-figures/#sthash.ITQNTMQR.dpuf>

Figure A1 Calculation of multipliers	Estimates for Cumbria by Mohan 2010, number per income band	Estimates using national Charity Commission 2014 data, number per income band	Cumbria sample 2014, number per income band	Charity Commission % of TSOs in each income band	Adjusted Charity Commission % of TSOs in each income band	Kane and Mohan (2010) % estimates for each income band	Cumbria sample 2014 % for each income band	Multiplier to reach Kane and Mohan population estimate	Multiplier to reach Charity Commission population estimate	Average multiplier per category
Under £10,000	1,755	1,189	174	41.7	44.3	65.4	48.6	10.086	6.833	8.460
£10,001-£100,000	658	953	102	33.4	35.5	24.5	28.5	6.451	9.343	7.897
£100,001-£1,000,000	242	362	53	12.7	13.5	9.0	14.8	4.566	6.830	5.698
£1,000,000+	30	180	29	6.3	6.7	1.1	8.1	1.034	6.207	3.621
N=/%/ave. multiplier	2,684	2,684	358	94.1	100.0	100.0	100.0	5.534	7.303	6.419

Appendix 2

Survey questionnaire in Cumbria³⁶



Third Sector Trends Study Questionnaire 2014

This is the third in a series of surveys we have done in 2010, 2012 and now in 2014 to see how the third sector is faring in Cumbria. This unique, long-term study, will help us to understand what can be done to help the third sector to continue to work successfully in future.

Whether your organisation or group is flourishing or struggling financially – or just carrying on more or less as normal – we need to hear from you.

Any person in your organisation can fill in the questionnaire although we recommend that a senior person does so. The questionnaire should take about 10-15 minutes to fill in.

The questionnaire begins with general questions about your organisation and then moves on to ask your opinion on current trends and future prospects for your organisation.

Please answer questions by ticking the box or boxes using **BLACK INK** because the questionnaire will be read by an automated scanner. If you make a mistake, please block out the entire box of the incorrect answer and tick the appropriate answer.

All the answers you give are completely confidential.

Please send the questionnaire back in the pre-paid envelope to PCP Ltd, 548 Huntington Road, York, YO32 9QA. But if you would prefer to fill it in online, then go to this web address.

<http://www.survey.bris.ac.uk/durham/tstcumbria2014>.

If you have any questions about the research and/or the questionnaire, please contact Professor Tony Chapman, St Chad's College, Durham University, 18 North Bailey, DURHAM DH1 3RH, or by email at:

tony.chapman@durham.ac.uk.

Thank you very much for doing this survey – we really appreciate it.



Policy&Practice
St Chad's College
Durham University

³⁶ Questionnaires from Yorkshire and Humber and North East England are available from the author.
Tony.Chapman@Durham.ac.uk

Assessment of third sector organisations' attitudes to borrowing

1. When was your organisation established? (Please give an approximate date)

□□□□

2. How do you usually describe your organisation or group? (Please tick all boxes that apply)

<input type="checkbox"/>	Informal organisation or group	<input type="checkbox"/>	Company Limited by Guarantee (CLG)
<input type="checkbox"/>	Registered charity – Independent	<input type="checkbox"/>	Community Interest Company (CIC)
<input type="checkbox"/>	Registered charity – Branch of larger organisation	<input type="checkbox"/>	Industrial & Provident Society (IPS)
<input type="checkbox"/>	Unregistered charity	<input type="checkbox"/>	Other
<input type="checkbox"/>	Social enterprise		

3. Where does your organisation or group operate? (Please tick all boxes that apply)

<input type="checkbox"/>	Neighbourhood/village
<input type="checkbox"/>	Town/ City
<input type="checkbox"/>	Cumbria County Council Borough or District
<input type="checkbox"/>	More than one Cumbria County Council Borough or District
<input type="checkbox"/>	Regional (e.g. North East, North West, Yorkshire & the Humber)
<input type="checkbox"/>	More than one region in the North of England
<input type="checkbox"/>	Nationwide
<input type="checkbox"/>	International

4. Does your organisation or group work.... (Please tick one box only)

<input type="checkbox"/>	Mainly in rural areas?	<input type="checkbox"/>	Mainly in inner city areas?	<input type="checkbox"/>	Other
<input type="checkbox"/>	Mainly in urban areas?	<input type="checkbox"/>	A mixture of urban & rural areas		

5. Which County Council District or Borough is the main office/location of your organisation or group? (Please tick one box only)

<input type="checkbox"/>	Allerdale	<input type="checkbox"/>	Carlisle	<input type="checkbox"/>	Eden
<input type="checkbox"/>	Barrow in Furness	<input type="checkbox"/>	Copeland	<input type="checkbox"/>	South Lakeland
<input type="checkbox"/>	Other				

6. What is the main thing your organisation does? (Please tick one box only)

<input type="checkbox"/>	Provide front-line services to beneficiaries (e.g. providing accommodation, care services, training)
<input type="checkbox"/>	Provide direct support services to beneficiaries (e.g. providing advocacy, advice and guidance)
<input type="checkbox"/>	Provide indirect support services to beneficiaries (e.g. research, policy development, campaigning)
<input type="checkbox"/>	Provide infrastructure support to the voluntary and community sector (e.g. local CVS)
<input type="checkbox"/>	Provide grants to the voluntary and community sector as a Foundation or Trust
<input type="checkbox"/>	Other

Assessment of third sector organisations' attitudes to borrowing

7. Who are the main beneficiaries of your organisation's or group's activities?

(Please select all boxes that apply)

<input type="checkbox"/>	People in general	<input type="checkbox"/>	People with homelessness and housing issues
<input type="checkbox"/>	Children and young people	<input type="checkbox"/>	Carers
<input type="checkbox"/>	Older people	<input type="checkbox"/>	Unemployed/workless people
<input type="checkbox"/>	People with physical disabilities	<input type="checkbox"/>	People with concerns about gender and sexuality
<input type="checkbox"/>	People with health or mental health difficulties	<input type="checkbox"/>	People in rural areas
<input type="checkbox"/>	People of a particular ethnic or racial origin	<input type="checkbox"/>	People in disadvantaged urban areas
<input type="checkbox"/>	Other third sector organisations	<input type="checkbox"/>	Other

8. What was your organisation's income in the last financial year? (Please tick one box only)

<input type="checkbox"/>	No income	<input type="checkbox"/>	£10,001 - £25,000	<input type="checkbox"/>	£250,001 - £500,000
<input type="checkbox"/>	£1 - £2,000	<input type="checkbox"/>	£25,001 - £50,000	<input type="checkbox"/>	£500,001 - £1,000,000
<input type="checkbox"/>	£2,001 - £5,000	<input type="checkbox"/>	£50,001 - £100,000	<input type="checkbox"/>	£1,000,001 - £5,000,000
<input type="checkbox"/>	£5,001 - £10,000	<input type="checkbox"/>	£100,001 - £250,000	<input type="checkbox"/>	£5,000,001 or more

9. Over the last two years, has your organisation's income: (Please tick one box only)

<input type="checkbox"/>	Risen significantly	<input type="checkbox"/>	Remained about the same	<input type="checkbox"/>	Fallen significantly
--------------------------	---------------------	--------------------------	-------------------------	--------------------------	----------------------

10. Approximately how many paid staff and volunteers does your organisation have? (Please tick one box in each column)

	Paid full-time staff	Paid part-time staff	Volunteers (excl. trustees)	Trustees
0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1-2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 - 5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 - 10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 - 20	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21 - 50	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
51 - 100	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
100 plus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

11. Over the last two years, has the number of staff, volunteers and trustees in your organisation or group increased, stayed the same or been reduced?

(Please tick <u>one</u> box in each row)	Increased	Stayed the same	Reduced	Not applicable
Paid full time staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Paid part time staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Volunteers (excluding trustees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12. Does your organisation have a training budget? (Please tick one box only)

<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
--------------------------	-----	--------------------------	----

Assessment of third sector organisations' attitudes to borrowing

13. To what extent does your organisation need more training in the following areas?

(Please tick <u>one</u> box in each row)	High Priority	Low Priority	Not Needed
Managing staff/ volunteers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fundraising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bidding for grants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strategic management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing and publicity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tendering and commissioning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

14. How important are the following sources of funding for your work?

(Please tick <u>one</u> box in each row)	Most important	Important	Of some importance	Least important	Not applicable
Grants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contracts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Earned income (e.g. retail, selling goods/services but <u>not</u> contracts)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investment income (e.g. interest, dividends, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contribution in kind (e.g. use of facilities and free professional help)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gifts (e.g. sponsorship, donations)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subscriptions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Borrowed money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

15. Approximately how much of your income is earned? (e.g. from selling products and services and/ or contracts to deliver services) (Please tick one box only)

<input type="checkbox"/>	None	<input type="checkbox"/>	21 – 40%	<input type="checkbox"/>	61 – 80%
<input type="checkbox"/>	1 – 20%	<input type="checkbox"/>	41 – 60%	<input type="checkbox"/>	81 – 100%

Assessment of third sector organisations' attitudes to borrowing

16. What financial assets does your organisation or group have?

(please tick <u>one</u> box on each row)	No assets or reserves	Less than £10k	£10k to £25k	£25 to £50k	£50k- £100k	£100k - £250k	£250k - £1m	£1m - £5m	£5m plus
Approximate value of property we own outright	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approximate equity on property we own with a mortgage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approximate reserves in stocks, shares, savings etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approximate cash reserves in current account.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approximate value of fixed assets (e.g. vehicles/equipment).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

17. In the last financial year, has your organisation or group drawn on its reserves?

(Please tick one box only)

<input type="checkbox"/>	No, we don't have any reserves
<input type="checkbox"/>	No, we have not drawn on our reserves
<input type="checkbox"/>	Yes, we have used 'some' of our reserves to invest in new activities (such as buying property, developing a new service, employing a development worker)
<input type="checkbox"/>	Yes, we drawn 'heavily' on our reserves to invest in new activities (such as buying property, developing a new service, employing a development worker)
<input type="checkbox"/>	Yes, we have used 'some' of our reserves for essential costs (such as salaries, rent, etc.)
<input type="checkbox"/>	Yes, we have drawn heavily on our reserves for essential costs (such as salaries, rent etc.)
<input type="checkbox"/>	We have used 'some' reserves for both investment and essential costs
<input type="checkbox"/>	We have drawn 'heavily' on reserves for both investment and essential costs

18. Has your organisation or group borrowed money from a financial institution (such as a bank, building society, local authority or a credit union) for any of the following purposes in the last two years? (Please tick one box only)

<input type="checkbox"/>	We have not borrowed money in the last two years
<input type="checkbox"/>	We have borrowed money to invest in the development of new activities or services (e.g. any form of investment capital)
<input type="checkbox"/>	We have borrowed money to bridge a gap in our cash flow (e.g. any form of working capital)
<input type="checkbox"/>	We have borrowed money to buy a property (e.g. a mortgage)
<input type="checkbox"/>	We have borrowed money to upgrade a property to deliver a better service
<input type="checkbox"/>	We have borrowed money to upgrade a property to earn income (e.g. from rent or retail activity)
<input type="checkbox"/>	We have borrowed money to repay other debts, creditors or loans to make payments more affordable

Assessment of third sector organisations' attitudes to borrowing

19. If your organisation or group have ever considered the pros and cons of borrowing money, what kinds of things would you take a loan for?

<i>(please tick <u>one</u> box in each row)</i>	No need to borrow money for this purpose	Would not borrow as it is against our values	May borrow money but need more information and support	We are seriously considering this now	We have already made an application for a loan for this purpose	We now have a loan for this (or have had one in the last 5 yrs)
A mortgage to buy a property (e.g. freehold or long-leasehold)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Upgrade a property (e.g. to deliver a better or bigger service, or to earn income from rent or retail)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Equipment or facilities to do our work (e.g. kitchen equipment for a cafe, a bus for community transport, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To provide enough money (or "working capital") to resource our work (e.g. to do a payment by results contract, to fund a development post, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

20. How much money can you imagine your organisation or group might borrow for any of the following purposes?

<i>(please tick <u>one</u> box in each row)</i>	Would not borrow	Less than £5,000	£5,001 - £25,000	£25,001 - £50,000	£50,001 - £100,000	More than £100,001
A mortgage to buy a property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Upgrade a property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Equipment or facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To provide enough money (or "working capital") to resource our work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assessment of third sector organisations' attitudes to borrowing

21. What kind of organisation would you approach for a loan?

(Please tick <u>all</u> boxes that apply)	High street bank	Credit union	A charitable foundation	Social investor (e.g. Charity Bank)	Development trust	Local authority	Private lender / investor
A mortgage to buy a property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Upgrade a property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Equipment or facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To provide enough money (or "working capital") to resource our work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

22. What factors would you have in mind when choosing who to approach for a loan?

(please tick <u>one</u> box in each row)	Very important	Quite important	Not at all important
The interest rate offered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The length of term of the loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The loan conditions (such as 'fees' or 'penalties')	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The strength of our relationship with the lender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The extent to which the lender can help us plan and practice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The ethical values of the lender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

23. Would you ever consider taking any of the following types of loans? (tick all that apply)

<input type="checkbox"/>	A secured loan	<input type="checkbox"/>	An unsecured loan
--------------------------	----------------	--------------------------	-------------------

24. Over the last two years, has your organisation been involved in partnership bidding? (e.g. as part of a consortium or group bid) (Please tick one box only)

<input type="checkbox"/>	Yes and have been successful
<input type="checkbox"/>	Yes and have not yet been successful
<input type="checkbox"/>	No, but we are considering this
<input type="checkbox"/>	No and we are not considering this

Assessment of third sector organisations' attitudes to borrowing

25. Which of the following best describes your organisation's current position about tendering for public sector services? (Please tick one box only)

<input type="checkbox"/>	We are not aware of these opportunities
<input type="checkbox"/>	We are aware of these opportunities but they are not relevant to our organisation's objectives
<input type="checkbox"/>	We are aware of these opportunities but need more information
<input type="checkbox"/>	We are interested in this option but would need extra support to do this
<input type="checkbox"/>	We are interested in this option but feel there are barriers in the tendering process
<input type="checkbox"/>	We are already bidding to deliver public sector services
<input type="checkbox"/>	We are already delivering public sector services for which we have tendered

26. How do you think your organisation is regarded by local statutory bodies in your area? (e.g. Local Authorities, Police, Health organisations etc.) (Please tick one box in each row)

	Strongly agree	Agree	Disagree	Strongly disagree	Not applicable
They value the work of our organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
They understand the nature and role of our organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
They respect our organisation's independence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
They inform our organisation on issues which affect us or are of interest to us	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
They involve our organisation appropriately in developing and implementing policy on issues which affect us	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
They act upon our organisation's opinions and/ or responses to consultation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

27. How important are your organisation's or group's relationships with private sector businesses? (Please tick one box in each row)

	Of great importance	Of some importance	Of little importance	Of no importance
They give us money to help us do our work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
They provide free facilities to help us do our work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
They provide volunteers to help us do our work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
They provide free expert advice to help us work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
They provide free media/PR support to help our work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

28. What kinds of relationships do you have with other voluntary organisations and groups?

(Please tick one box in each row)

	Yes, this is how we work now	Not at the moment, but we'd like to work this way	No, this doesn't apply to us
We have useful informal relationships with other voluntary organisations and groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We often work quite closely, but informally, with other voluntary organisations and groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We often work in formal partnership arrangements with other voluntary organisations and groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assessment of third sector organisations' attitudes to borrowing

29. In which of the following ways do you assess the impact of your organisation or group?

<i>(Please tick <u>one</u> box in each row)</i>	This is a high priority for us and we do it regularly	We do this, but only when required to do so by funders	We want to do this but haven't got the expertise	We want to do this, but haven't got the time or money	We don't need to do this
Collect feedback from beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Organise participatory events with beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have individual discussions with beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Collect data on outputs for funders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Collect data on outcomes for funders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Conduct an organisational social audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

30. Are you doing or planning to do any of the following things to support your beneficiaries?

<i>(Please tick <u>all</u> boxes that apply)</i>	Doing this now	Planning to do this
Increasing earned income	<input type="checkbox"/>	<input type="checkbox"/>
Increasing individual donations	<input type="checkbox"/>	<input type="checkbox"/>
Borrowing money to increase volume of activity/enter new areas of work	<input type="checkbox"/>	<input type="checkbox"/>
Changing the way you run your services or activities	<input type="checkbox"/>	<input type="checkbox"/>
Working more closely with a public sector organisation	<input type="checkbox"/>	<input type="checkbox"/>
Merging with one or more similar organisations	<input type="checkbox"/>	<input type="checkbox"/>
Working more closely with another voluntary/ not-for-profit organisation	<input type="checkbox"/>	<input type="checkbox"/>
Working more closely with a private sector company	<input type="checkbox"/>	<input type="checkbox"/>

31. Over the next two years, do you expect your organisation's involvement in the delivery of public services (e.g. contracts to run a care home, youth service or community transport) will: *(Please tick one box only)*

<input type="checkbox"/>	Increase	<input type="checkbox"/>	Reduce
<input type="checkbox"/>	Stay the same	<input type="checkbox"/>	We do not deliver public services

32. Over the next two years, what do you expect will happen to your organisation?

<i>(Please tick <u>once</u> in each row)</i>	Increase significantly	Increase	Remain similar	Decrease	Decrease significantly	Not applicable
Income will ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Expenditure will ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Number of paid staff will ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Number of volunteers will ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Working in partnership will ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contracts held will ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The need for our services will ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statutory agencies expectations of our services will ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Funding from statutory bodies will ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

33. We are interested in the 'culture' of voluntary and community sector organisations – where do you think your organisation sits in relation to the following?

<i>(Please tick <u>one</u> box in each row)</i>	People in the public sector	People in the private sector	People in the community
In the way that we do our work in practical terms, we are closer in style to ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our values are matched most closely with the interests of ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The financial resources we use to do our work come mainly from ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Volunteers who support us come mainly from ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When we are planning for the future, our approach is closer to...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please can you tell us the post code of your main office so that we can geographically map all responses for rural/urban analysis (we promise not to use this information for any other purposes as all answers are completely confidential:

Your post code:

Thank you very much for taking part, the research will be published early in 2015 and will be free to download.

Other reports from the study are available from this site
<http://www.nr-foundation.org.uk/resources/third-sector-trends>



The Old Chapel, Woodbine Road
Gosforth, Newcastle upon Tyne NE3 1DD

Tel: 0191 284 8412

Fax: 0191 284 8413

Minicom: 0191 284 5411

Email: generaloffice@nr-foundation.org.uk

Website: www.nr-foundation.org.uk

Charity Commissioners' Reference Number 1063906